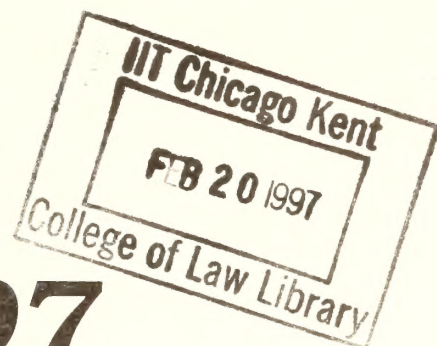


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1997

Illinois Register

Rules of Governmental Agencies

Volume 21, Issue 07 — February 14, 1997

Pages 1745 - 2542

Index Department
Administrative Code Div.
111 East Monroe Street
Springfield, IL 62756
(217) 782-7017
<http://www.sos.state.il.us>

published by
George H. Ryan
Secretary of State



Printed on recycled paper

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ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

1) Heading of the Part: Minimum Safety Standards for Transportation of Gas and for Gas Pipeline Facilities

2) Code Citation: 83 Ill. Adm. Code 590

3) Section Numbers: 590.10
Proposed Action: Amendment

4) Statutory Authority: Implementing and authorized by Section 3 of the Illinois Gas Pipeline Safety Act [220 ILCS 20/3].

5) A Complete Description of the Subjects and Issues Involved: The Illinois Commerce Commission ("Commission") has adopted 83 Ill. Adm. Code 590, "Minimum Safety Standards for Transportation of Gas and for Gas Pipeline Facilities," to incorporate by reference certain federal safety standards. This complies with Section 3 of the Illinois Gas Pipeline Safety Act [220 ILCS 20/3], which requires the Commission's rules to be as inclusive and stringent as, and compatible with, the federal safety standards. Since the last Commission action amending Part 590 in 1995, the United States Department of Transportation ("USDOT") completed rulemaking that amended its safety standards in 49 CFR 192, 193, and 199, which the Commission has incorporated by reference in Part 590. It is appropriate to initiate rulemaking to incorporate the USDOT amendments into Part 590.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? Yes

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This proposed amendment neither creates nor expands any state mandate on units of local government, school districts, or community college districts.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments should be filed with:

Donna M. Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62706
217/782-7434

Comments should be filed with the Chief Clerk within 45 days after the

ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

date of this issue of the *Illinois Register*.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: This amendment will affect those small businesses and small municipalities that are also under the jurisdiction of the Commission.

B) Reporting, bookkeeping or other procedures required for compliance: These rules require reporting procedures.

C) Types of professional skills necessary for compliance: This amendment will require managerial and engineering skills for compliance.

13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: The Commission did not anticipate the necessity for this rule.

The full text of the Proposed Amendment begins on the next page:

ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

TITLE 83: PUBLIC UTILITIES
 CHAPTER I: ILLINOIS COMMERCE COMMISSION
 SUBCHAPTER d: GAS UTILITIES

PART 590
 MINIMUM SAFETY STANDARDS FOR TRANSPORTATION
 OF GAS AND FOR GAS PIPELINE FACILITIES

Section
 590.10 Standards

AUTHORITY: Implementing and authorized by Section 3 of the Illinois Gas Pipeline Safety Act [220 ILCS 20/3].

SOURCE: Filed effective November 28, 1977; amended at 3 Ill. Reg. 5, p. 761, effective February 3, 1979; amended at 3 Ill. Reg. 11, p. 25, effective March 17, 1979; amended at 4 Ill. Reg. 1, p. 23, effective January 1, 1980; amended at 5 Ill. Reg. 6778, effective June 16, 1981; rules repealed, new rules adopted and codified at 7 Ill. Reg. 12858, effective September 16, 1983; amended at 8 Ill. Reg. 13195, effective July 16, 1984; amended at 10 Ill. Reg. 19405, effective November 15, 1986; amended at 11 Ill. Reg. 11733, effective July 1, 1987; amended at 12 Ill. Reg. 11707, effective July 15, 1988; recodified from 92 Ill. Adm. Code 1800 at 12 Ill. Reg. 12997; amended at 13 Ill. Reg. 16968, effective November 1, 1989; amended at 14 Ill. Reg. 10018, effective June 15, 1990; amended at 17 Ill. Reg. 12291, effective July 15, 1993; amended at 18 Ill. Reg. 11518, effective July 25, 1994; amended at 19 Ill. Reg. 13549, effective October 1, 1995; amended at 21 Ill. Reg. _____, effective _____.

Section 590.10 Standards

- a) The Illinois Commerce Commission adopts the standards contained in 49 CFR 191.23, 192, 193 and 199 as of January 1, 1997 February 15, ---1995, as its minimum safety standards for the transportation of gas and for gas pipeline facilities.
- b) No later amendment or editions are incorporated by this Part.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

- 1) **Heading of the Part:** Consignment of Licenses, Stamps and Permits
- 2) **Code Citation:** 17 Ill. Adm. Code 2520
- 3) **Section Numbers:** **Proposed Action:**
 2520.10 Amendments
 2520.20 Amendments
 2520.30 Amendments
- 4) **Statutory Authority:** Implementing and authorized by Sections 1.4, 3.1, 3.2, 3.37, 3.38 and 3.39 of the Wildlife Code [520 ILCS 5/1.4, 3.1, 3.2, 3.37, 3.38 and 3.39] and Sections 1-125, 20-5, 20-10, 20-30, 20-45, 20-55 and 20-120 of the Fish and Aquatic Life Code [515 ILCS 5/1-125, 20-5, 20-10, 20-30, 20-45, 20-55 and 20-120].
- 5) **A Complete Description of the Subjects and Issues Involved:** These amendments eliminate irrevocable letters of credit for financial evidence, simplify the requirements for vendors to receive a preferred status, and modify the remittance schedule.
- 6) **Will this rulemaking replace any emergency rulemaking currently in effect?**
 No
- 7) **Does this rulemaking contain an automatic repeal date?** No
- 8) **Does this rulemaking contain incorporations by reference?** No
- 9) **Are there any other proposed rulemakings pending on this Part?** No
- 10) **Statement of Statewide Policy Objectives:** This rulemaking does not affect units of local government.
- 11) **Time, Place and Manner in which interested persons may comment on this proposed rulemaking:** Comments on the proposed rule may be submitted in writing for a period of 45 days following publication of this notice to:
- Jack Price
 Department of Natural Resources
 524 S. Second Street
 Springfield, IL 62701-1787
 217/782-1809
- 12) **Initial Regulatory Flexibility Analysis:**
- A) **Types of small businesses, small municipalities and not for profit corporations affected:** Persons selling licenses or stamps.
- B) **Reporting, bookkeeping or other procedures required for compliance:**

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

Vendors must keep track of licenses and stamps sold and remit the proper fees for such sales. Unsold licenses and stamps must be returned at the end of the year.

- C) Types of professional skills necessary for compliance: No professional skills are required.

- 13) Regulatory Agenda on which this rule was summarized: This rule was not included on either of the 2 most recent agendas because: the Agency did not anticipate amending this Part.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

TITLE 17: CONSERVATION

CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER f: ADMINISTRATIVE SERVICES

PART 2520

CONSIGNMENT OF LICENSES, STAMPS AND PERMITS

Section	
2520.10	Consignment Requirements
2520.20	Issuing Licenses, Stamps and Permits
2520.30	Terms
2520.40	Credit to Vendor Accounts
2520.50	Issuance of Replacement Hunting, Fishing and Trapping Licenses, Stamps and Permits

AUTHORITY: Implementing and authorized by Sections 1.4, 3.1, 3.2, 3.37, 3.38 and 3.39 of the Wildlife Code [520 ILCS 5/1.4, 3.1, 3.2, 3.37, 3.38 and 3.39] and Sections 1-125, 20-5, 20-10, 20-30, 20-45, 20-55 and 20-120 of the Fish and Aquatic Life Code [515 ILCS 5/1-125, 20-5, 20-10, 20-30, 20-45, 20-55 and 20-120].

SOURCE: Adopted and codified at 7 Ill. Reg. 8760, effective July 15, 1983; amended at 8 Ill. Reg. 5660, effective April 16, 1984; amended at 9 Ill. Reg. 14626, effective September 17, 1985; amended at 11 Ill. Reg. 4633, effective March 10, 1987; amended at 15 Ill. Reg. 7653, effective May 7, 1991; amended at 16 Ill. Reg. 8479, effective May 26, 1992; amended at 18 Ill. Reg. 9991, effective June 21, 1994; amended at 19 Ill. Reg. 7541, effective May 26, 1995; recodified by changing the agency name from Department of Conservation to Department of Natural Resources at 20 Ill. Reg. 9389; amended at 20 Ill. Reg. 14417, effective October 25, 1996; amended at 21 Ill. Reg. _____, effective _____.

Section 2520.10 Consignment Requirements

- a) The Department of Natural Resources (DNR) has the authority to designate agents to sell licenses, stamps and permits on behalf of the Department. DNR consigns hunting, fishing, trapping and ginseng harvester **Sinseng-Harvester** licenses, migratory waterfowl, salmon and wildlife conservation stamps, and deer archery combination permits, hereinafter referred to as licenses, stamps and permits, for sale by county, city, village, township and incorporated town clerks, upon receipt of their completed application and elected official license vendor contract, and fulfillment of requirements set forth in this Part. The Department also consigns the licenses, stamps and permits to other persons, hereinafter referred to as "direct agents", upon receipt of their completed application, license vendor contract, evidence of financial responsibility, and fulfillment of the requirements set forth in this Part. The term "direct agent" means

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

all persons authorized by the Department to sell licenses, stamps and permits other than elected or appointed officials and department employees. License vendors, including employees of the Department selling licenses, stamps and permits, shall collect an issuing fee in addition to the license, stamp and permit fee as provided in 515 ILCS 5/20-120 and 520 ILCS 5/3.37 as follows: 75 cents for each Sportsmen's Combination license and non-resident hunting license, and 50 cents for all other licenses, stamps and permits authorized by the above statutes. All licenses, stamps and permits consigned and fees collected from the sale of licenses, stamps and permits (except the authorized issuing fee) remain the property of the State of Illinois. Funds received from the sale of licenses, stamps and permits (except the authorized issuing fee) shall not be directed to any purpose other than remittance to the Department.

b) County, city, village, township and incorporated town clerks may appoint sub-agents within the territorial area for which they are elected or appointed. Elected or appointed officials and Department employees selling licenses, stamps and permits are liable to the State for all licenses, stamps and permits consigned to their account, including any licenses, stamps and permits furnished by a clerk to any sub-agent. Any clerk appointing sub-agents must notify the Department, within 10 days following the appointment, the names and mailing addresses of such sub-agents. No part of the issuing fees collected may be retained as personal compensation by the clerk. Issuing fees may be divided between the clerk and appointed sub-agents other than employees of the Clerk's office, but in no case may any clerk and/or sub-agent charge an issuing fee or fees totaling more than the amounts set out in subsection (a) Section 2520-10 of this Section Part. DNR assumes no liability for any license, stamp or permit furnished by any elected or appointed clerk to any sub-agent.

c) All direct agents, including concessionaires holding contracts with the Department shall be required to furnish DNR with evidence of financial responsibility. Such evidence shall be in the form of a surety bond, irrevocable letter of credit or certificate of deposit, in an amount equal to the value of licenses, stamps and permits consigned with the exception of direct agents with a preferred status. Direct agents must meet the following qualifications to receive a preferred status:

- 1) The direct agent must sell licenses, stamps and permits for one complete license year.
- 2) If the direct agent has sold licenses, stamps and permits with a value of \$16,000.00 or more during the previous license year, the Department must have received 20 or more remittances or no sales reports. If the direct agent has sold licenses, stamps and permits with a value of \$15,999.99 or less during the previous license year, the Department must have received 10 or more remittances or no sales reports during the previous license year.

If these qualifications are met the direct agent's consignments may

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

total 50% over the amount of their financial evidence. All direct agents with a preferred status will be reviewed annually. If qualifications have been met, the preferred status will continue for the following license year. If the qualifications have not been met, the preferred status is removed and the direct agent will be consigned licenses, stamps and permits equal to the amount of financial evidence. Surety bonds and letters of credit shall be on a form furnished by and approved by DNR, with surety or sureties satisfactory to DNR, conditioned upon such agents paying to the State of Illinois all monies becoming due by reason of the sale of licenses, stamps and permits. No direct agent may appoint sub-agents.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2520.20 Issuing Licenses, Stamps and Permits

a) License, stamp and permit forms shall be filled out completely, accurately and legibly at the time of issuance, and the full amount shall be collected as shown on the license face. In the case of stamps, the license fee plus the authorized issuing fee shall be collected, if the issuing fee is not shown on the face of the stamp. Vendors shall not back-date or issue an undated license.

b) The application portion of each license shall be retained by the issuing clerk or agent until the license issued expires, except in the case of trapping trapping licenses, goose permit stubs Waterfowl stamps, habitat Habitat stamps, ginseng harvester Ginseng--Harvester licenses and deer archery combination permits, for which the completed application must accompany the remittance.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2520.30 Terms

a) When funds received in payment for licenses, stamps and permits are deposited in an interest bearing account and where fees collected by a vendor are determined to be late to the Department department according to the remittance schedule in Section 2520.30(c), interest that has accrued through an interest bearing license account on the overdue funds will be remitted to the Department by separate check along with fees collected from the sale of such licenses, stamps and permits.

b) All license vendors shall be required to remit to the Department, according to the schedule in subsection (c) below, all funds received from the sale of licenses, stamps and permits during the preceding remittance period except the authorized issuing fee. Vendors having licenses, stamps and permits on hand for sale, but who have sold none

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF PROPOSED AMENDMENTS

during the remittance period, shall report this fact to the Department according to the remittance schedule by the use of a "no sales" report, furnished by the Department.

- c) The remittance schedule is ~~schedules~~ are as follows: ~~1) Schedule 1:--For--vendors--having--sold--licenses,--stamps--and--permits--with--a--value--of--\$16,000--or--more--during--a--prior--license--year;--remittance--periods--shall--be--from--the--1st--through--the--15th--of--each--month--and--the--16th--through--the--last--day--of--each--month;--remittance--shall--be--made--to--the--Department--no--later--than--the--5th--and--20th--of--each--month;--for--all--licenses,--stamps--and--permits--sold--during--the--previous--remittance--period; 2) Schedule--1:--For--vendors--having--sold--licenses,--stamps--and--permits--of--a--value--of--\$15,999.99--or--less--during--the--previous--license--year;--the--remittance--period--shall--be--each--month; Remittance shall be made to the Department no later than the 10th of each month for all~~ licenses, stamps and permits sold during the previous month.

- d) Accounts more than one remittance period past due shall have additional license consignments withheld until the account is current. Accounts two remittance periods or more past due will cause the Department to cancel or withdraw the issuance of licenses through such clerks or agents. In the case of secured agents, payment will be demanded from the security company. In the case of secured agents with a preferred status, payment up to the amount of financial evidence will be demanded from the security company and the balance over the financial evidence will be referred to other agencies for assistance. No installment payment agreements will be accepted by DNR except pursuant to judgment decrees.

- e) Within 30 days after the expiration of the time in which any class of license, stamp or permit is usable, the final payment for licenses, stamps and permits sold shall be made in full to the Department, and all unsold or void licenses, stamps and permits shall be returned to the Department. Accounts not closed out within the 30 days specified shall be suspended or terminated, and referred to the security company for action or referral to other agencies for assistance.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Definitions and General Provisions
 2) Code Citation: 35 Ill. Adm. Code 211
 3) Section Numbers: Proposed Action:
 211.1885 New
 4) Statutory Authority: 415 ILCS 5/27 and 28.5

- 5) A Complete Description of the Subjects and Issues Involved: On January 16, 1997 the Pollution Control Board (Board) received this proposal for rulemaking from the Illinois Environmental Protection Agency (Agency). As explained in the Board's Opinion and Order of January 23, 1997 in Docket R97-24, Section 182(b)(1) of the Clean Air Act (CAA), as amended in 1990, (42 U.S.C. 7511a(b)(1)(A)) requires that ozone nonattainment areas reduce emissions of volatile organic material (VOM) by 15% from 1990 levels by 1996. Section 182(c)(2)(B) of the CAA (42 U.S.C. 7511a(c)(2)(B)) further requires all serious and above ozone nonattainment areas to achieve a 3% reduction of 1990 baseline emissions of VOM each year thereafter for three years until attainment is reached.

In Illinois, the Chicago and Metro-East St. Louis (Metro-East) areas are classified as "severe" and "moderate" ozone nonattainment areas respectively, and are subject to the 15% rate of progress (ROP) provisions of the CAA. The Chicago ozone nonattainment area is also subject to the 3% ROP reduction requirement, or a 9% total reduction for the year 1999. Although the Metro-East area is not immediately subject to the 3% ROP reduction requirement, the area is at risk of being elevated to the next higher classification, which would implicate the 3% ROP provisions. Furthermore, additional control measures will assist the area in reaching attainment of the ozone national ambient air quality standards (NAAQS).

The Agency states that it has reviewed available control measures that could provide reductions during the period 1996 through 1999. The Agency also states that it has selected, with input provided by the public, the available control measure that is the subject of this rulemaking. Specifically, the Agency proposes to amend 35 Ill. Adm. Code Subpart E, Solvent Cleaning, Sections 218.182 and 219.182 to include more stringent requirements for solvents sold or used in cold cleaning degreasers. The proposal will also amend 35 Ill. Adm. Code 211 to add a definition for electronic components which will apply exclusively to Sections 218.182 and 219.182.

This proposal was filed pursuant to Sections 27 and 28.5 of the Environmental Protection Act (Act) [415 ILCS 5/27 and 28.5] cite as a fast-track rulemaking proceeding. Section 28.5 requires the Board to proceed with rulemaking under set time frames. The Board has no discretion to adjust these time frames under any circumstances. The

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

following schedule indicates the deadlines by which the Board must act, as provided in Section 28.5:

First Notice: on or before January 30, 1997;

First Hearing: on or before March 11, 1997;

Second Hearing: no later than 30 days after the start of the first hearing;

Third Hearing: no later than 14 days after the start of the second hearing;

Second Notice:

if 3rd Hearing canceled: on or before May 25, 1997;

if 3rd Hearing held: on or before June 14, 1997;

Final Adoption and Filing: 21 days after receipt of JCAR certificate of no objection.

6) Will this proposed rule(s) replace an emergency rule currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rule(s) (amendment, repealer) contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? Yes

Section Number	Proposed Action	Illinois Register Citation
211.2285	New	21 Ill. Reg. 329 (January 3, 1997)
211.7105	Amendment	20 Ill. Reg. 14116 (exempt) (November 8, 1996)

10) Statement of Statewide Policy Objectives: These proposed amendments do not create or enlarge a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)].

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Send written comments concerning R97-24 within 45 days after publication in the *Illinois Register* to:

Dorothy Gunn
Clerk of the Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, IL 60601

and

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

Christina L. Archer
Assistant Counsel
Illinois Environmental Protection Agency
Bureau of Air
P.O. Box 19276
Springfield, IL 62794-9276

Questions may be addressed to:

K.C. Poulos, Attorney
Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, IL 60601
312/814-3665

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses affected: Those that engage in cold cleaning degreasing or sell solvents for use in cold cleaning degreasing operations.

B) Reporting, bookkeeping or other procedures required for compliance:
None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the Proposed Amendments begins on the next page:

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION
 SUBTITLE B: AIR POLLUTION
 CHAPTER I: POLLUTION CONTROL BOARD
 SUBCHAPTER C: EMISSION STANDARDS AND LIMITATIONS
 FOR STATIONARY SOURCES

PART 211

DEFINITIONS AND GENERAL PROVISIONS

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 211.6630 Through-the-Valve Fill
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 211.6690 Topcoat Operation
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 211.6710 Touch-Up
 211.6720 Touch-Up Coating
 211.6730 Transfer Efficiency
 211.6750 Tread End Cementing
 211.6770 True Vapor Pressure
 211.6790 Turnaround
 211.6810 Two-Piece Can
 211.6830 Under-the-Cup Fill
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 211.6990 Vapor Control System
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 211.7030 Vapor Recovery System
 211.7050 Vapor Suppressed Polyester Resin
 211.7070 Vinyl Coating
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 211.7110 Volatile Organic Liquid (VOL)
 211.7130 Volatile Organic Material Content (VOMC)
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 211.7170 Volatile Petroleum Liquid

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211.7190 Wash Coat
 211.7210 Wastewater (Oil/Water) Separator
 211.7230 Weak Nitric Acid Manufacturing Process
 211.7250 Web
 211.7270 Wholesale Purchase - Consumer
 211.7290 Wood Furniture
 211.7310 Wood Furniture Coating
 211.7330 Wood Furniture Coating Line
 211.7350 Woodworking
 211.7400 Yeast Percentage

APPENDIX A Rule into Section Table
 APPENDIX B Section into Rule Table

AUTHORITY: Implementing Sections 9, 9.1 and 10 and authorized by Sections 27 and 28.5 of the Environmental Protection Act [415 ILCS 5/9, 9.1, 10, 27 and 28.5].

SOURCE: Adopted as Chapter 2: Air Pollution, Rule 201: Definitions, R71-23, 4 PCB 191, filed and effective April 14, 1972; amended in R74-2 and R75-5, 32 PCB 295, at 3 Ill. Reg. 5, p. 777, effective February 3, 1979; amended in R78-3 and 4, 35 PCB 75 and 243, at 3 Ill. Reg. 30, p. 124, effective July 28, 1979; amended in R80-5, at 7 Ill. Reg. 1244, effective January 21, 1983; codified at 7 Ill. Reg. 13590; amended in R82-1 (Docket A) at 10 Ill. Reg. 12624, effective July 7, 1986; amended in R85-21(A) at 11 Ill. Reg. 11747, effective June 29, 1987; amended in R86-34 at 11 Ill. Reg. 12267, effective July 10, 1987; amended in R86-39 at 11 Ill. Reg. 20804, effective December 14, 1987; amended in R82-14 and R86-37 at 12 Ill. Reg. 787, effective December 24, 1987; amended in R86-18 at 12 Ill. Reg. 7284, effective April 8, 1988; amended in R86-10 at 12 Ill. Reg. 7621, effective April 11, 1988; amended in R88-23 at 13 Ill. Reg. 10862, effective June 27, 1989; amended in R89-8 at 13 Ill. Reg. 17457, effective January 1, 1990; amended in R89-16(A) at 14 Ill. Reg. 9141, effective May 23, 1990; amended in R88-30(B) at 15 Ill. Reg. 5223, effective March 28, 1991; amended in R88-14 at 15 Ill. Reg. 7901, effective May 14, 1991; amended in R91-10 at 15 Ill. Reg. 15564, effective October 11, 1991; amended in R91-6 at 15 Ill. Reg. 15673, effective October 14, 1991; amended in R91-22 at 16 Ill. Reg. 7656, effective May 1, 1992; amended in R91-24 at 16 Ill. Reg. 13526, effective August 24, 1992; amended in R93-9 at 17 Ill. Reg. 16504, effective September 27, 1993; amended in R93-11 at 17 Ill. Reg. 21471, effective December 7, 1993; amended in R93-14 at 18 Ill. Reg. 1253, effective January 18, 1994; amended in R94-12 at 18 Ill. Reg. 14962, effective September 21, 1994; amended in R94-14 at 18 Ill. Reg. 15744, effective October 17, 1994; amended in R94-15 at 18 Ill. Reg. 16379, effective October 25, 1994; amended in R94-16 at 18 Ill. Reg. 16929, effective November 15, 1994; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6823, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7344, effective May 22, 1995; amended in R95-2 at 19 Ill. Reg. 11066, effective July 12, 1995; amended in R95-16 at 19 Ill. Reg. 15176, effective October 19, 1995; amended in R96-5 at 20 Ill. Reg. 7590,

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effective May 22, 1996; amended in R97-24 at 21 Ill. Reg. _____, effective _____.

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

SUBPART B: DEFINITIONS

Section 211.1885 Electronic Component

"Electronic Component" means, for the purposes of 35 Ill. Adm. Code 218.182(f) and 219.182(f), all portions of an electronic assembly, including, but not limited to, circuit board assemblies, printed wire assemblies, printed circuit boards, soldered joints, ground wires, bus bars, and associated electronic component manufacturing equipment such as screens and filters.

(Source: Added at 21 Ill. Reg. _____, effective _____.)

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1) Heading of the Part: Organic Material Emission Standards and Limitations for the Chicago Area.

2) Code Citation: 35 Ill. Adm. Code 218

3) Section Numbers: 218.182
Proposed Action: Amended

4) Statutory Authority: 415 ILCS 5/27 and 28.5

5) A Complete Description of the Subjects and Issues Involved: On January 16, 1997 the Pollution Control Board (Board) received this proposal for rulemaking from the Illinois Environmental Protection Agency (Agency). As explained in the Board's Opinion and Order of January 23, 1997 in Docket R97-24, Section 182(b)(1) of the Clean Air Act (CAA), as amended in 1990, (42 U.S.C. 7511a(b)(1)(A)) requires that ozone nonattainment areas reduce emissions of volatile organic material (VOM) by 15% from 1990 levels by 1996. Section 182(c)(2)(B) of the CAA (42 U.S.C. 7511a(c)(2)(B)) further requires all serious and above ozone nonattainment areas to achieve a 3% reduction of 1990 baseline emissions of VOM each year thereafter for three years until attainment is reached.

In Illinois, the Chicago and Metro-East St. Louis (Metro-East) areas are classified as "severe" and "moderate" ozone nonattainment areas, respectively, and are subject to the 15% rate of progress (ROP) provisions of the CAA. The Chicago ozone nonattainment area is also subject to the 3% ROP reduction requirement, or a 9% total reduction for the year 1999. Although the Metro-East area is not immediately subject to the 3% ROP reduction requirement, the area is at risk of being elevated to the next higher classification, which would implicate the 3% ROP provisions. Furthermore, additional control measures will assist the area in reaching attainment of the ozone national ambient air quality standards (NAAQS).

The Agency states that it has reviewed available control measures that could provide reductions during the period 1996 through 1999. The Agency also states that it has selected, with input provided by the public, the available control measure that is the subject of this rulemaking. Specifically, the Agency proposes to amend 35 Ill. Adm. Code Subpart E, Solvent Cleaning, Sections 218.182 and 219.182 to include more stringent requirements for solvents sold or used in cold cleaning degreasers. The proposal will also amend 35 Ill. Adm. Code 211 to add a definition for electronic components which will apply exclusively to Sections 218.182 and 219.182.

This proposal was filed pursuant to Sections 27 and 28.5 of the Environmental Protection Act (Act) [415 ILCS 5/27 and 28.5] as a fast-track rulemaking proceeding. Section 28.5 requires the Board to proceed with rulemaking under set time frames. The Board has no

POLLUTION CONTROL BOARD

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discretion to adjust these time frames under any circumstances. The following schedule indicates the deadlines by which the Board must act, as provided in Section 28.5:

First Notice: on or before January 30, 1997;
 First Hearing: on or before March 11, 1997;
 Second Hearing: no later than 30 days after the start of the first hearing;
 Third Hearing: no later than 14 days after the start of the second hearing;
 Second Notice:
 if 3rd Hearing canceled: on or before May 25, 1997;
 if 3rd Hearing held: on or before June 14, 1997;
 Final Adoption and Filing: 21 days after receipt of JCAR certificate of no objection.

6) Will this proposed rule(s) replace an emergency rule currently in effect?
 No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rule(s) (amendment, repealer) contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: These proposed amendments do not create or enlarge a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)].

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking:

Send written comments concerning R97-24 within 45 days after publication in the Illinois Register to:

Dorothy Gunn
 Clerk of the Pollution Control Board
 100 West Randolph Street
 Suite 11-500
 Chicago, IL 60601

and

Christina L. Archer
 Assistant Counsel
 Illinois Environmental Protection Agency
 Bureau of Air

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P.O. Box 19276
 Springfield, IL 62794-9276

Questions may be addressed to:

K.C. Poulos, Attorney
 Pollution Control Board
 100 West Randolph Street
 Suite 11-500
 Chicago, IL 60601
 312/814-3665

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses affected: Those that engage in cold cleaning degreasing or sell solvents for use in cold cleaning degreasing operations.

B) Reporting, bookkeeping or other procedures required for compliance: Recordkeeping to the extent necessary to demonstrate that a source is either not subject to the requirements of the proposed amendments or to demonstrate that the source is meeting the requirements of the proposal.

C) Types of professional skills necessary for compliance: Technical, perhaps engineering and clerical.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the Proposed Amendments begins on the next page:

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218.407	Emission Limitations and Control Requirements for Lithographic Printing Lines On and After March 15, 1996
218.408	Compliance Schedule for Lithographic Printing on and After March 15, 1996
218.409	Testing for Lithographic Printing On and After March 15, 1996
218.410	Monitoring Requirements for Lithographic Printing
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SUBPART Q: SYNTHETIC ORGANIC CHEMICAL AND POLYMER MANUFACTURING PLANT

Section	General Requirements
218.421	Inspection Program Plan for Leaks
218.422	Inspection Program for Leaks
218.423	Repairing Leaks
218.424	Recordkeeping for Leaks
218.425	Report for Leaks
218.426	Alternative Program for Leaks
218.427	Open-Ended Valves
218.428	Standards for Control Devices
218.429	Compliance Date (Repealed)
218.430	Applicability
218.431	Control Requirements
218.432	Performance and Testing Requirements
218.433	Monitoring Requirements
218.434	Recordkeeping and Reporting Requirements
218.435	Compliance Date

SUBPART R: PETROLEUM REFINING AND RELATED INDUSTRIES; ASPHALT MATERIALS

Section	Petroleum Refinery Waste Gas Disposal
218.441	Vacuum Producing Systems
218.442	Wastewater (Oil/Water) Separator
218.443	Process Unit Turnarounds
218.444	Leaks: General Requirements
218.445	Monitoring Program Plan for Leaks
218.446	Monitoring Program for Leaks
218.447	Recordkeeping for Leaks
218.448	Reporting for Leaks
218.449	Alternative Program for Leaks
218.450	Sealing Device Requirements
218.451	Compliance Schedule for Leaks
218.452	Compliance Dates (Repealed)

SUBPART S: RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS

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Section	Manufacture of Pneumatic Rubber Tires
218.461	Green Tire Spraying Operations
218.462	Alternative Emission Reduction Systems
218.463	Emission Testing
218.464	Compliance Dates (Repealed)
218.465	Compliance Plan (Repealed)

SUBPART T: PHARMACEUTICAL MANUFACTURING

Section	Applicability
218.480	Control of Reactors, Distillation Units, Crystallizers, Centrifuges and Vacuum Dryers
218.481	Control of Air Dryers, Production Equipment Exhaust Systems and Filters
218.482	Material Storage and Transfer
218.483	In-Process Tanks
218.484	Leaks
218.485	Other Emissions Units
218.486	Testing
218.487	Monitoring for Air Pollution Control Equipment
218.488	Recordkeeping for Air Pollution Control Equipment
218.489	

SUBPART V: BATCH OPERATIONS AND AIR OXIDATION PROCESSES

Section	Applicability for Batch Operations
218.500	Control Requirements for Batch Operations
218.501	Determination of Uncontrolled Total Annual Mass Emissions and Average Flow Rate Values for Batch Operations
218.502	Performance and Testing Requirements for Batch Operations
218.503	Monitoring Requirements for Batch Operations
218.504	Reporting and Recordkeeping for Batch Operations
218.505	Compliance Date
218.506	Emission Limitations for Air Oxidation Processes
218.520	Definitions (Repealed)
218.521	Savings Clause
218.522	Compliance
218.523	Determination of Applicability
218.524	Emission Limitations for Air Oxidation Processes
218.525	Testing and Monitoring
218.526	Compliance Date (Repealed)
218.527	

SUBPART W: AGRICULTURE

Section	Pesticide Exception
218.541	

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SUBPART X: CONSTRUCTION

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218.561	Architectural Coatings
218.562	Paving Operations
218.563	Cutback Asphalt
Section	
218.581	Bulk Gasoline Plants
218.582	Bulk Gasoline Terminals
218.583	Gasoline Dispensing Operations - Storage Tank Filling Operations
218.584	Gasoline Delivery Vessels
218.585	Gasoline Volatility Standards
218.586	Gasoline Dispensing Operations - Motor Vehicle Fueling Operations

SUBPART Y: GASOLINE DISTRIBUTION

SUBPART Z: DRY CLEANERS

Section	
218.601	Perchloroethylene Dry Cleaners
218.602	Applicability
218.603	Leaks
218.604	Compliance Dates (Repealed)
218.605	Compliance Plan (Repealed)
218.606	Exception to Compliance Plan (Repealed)
218.607	Standards for Petroleum Solvent Dry Cleaners
218.608	Operating Practices for Petroleum Solvent Dry Cleaners
218.609	Program for Inspection and Repair of Leaks
218.610	Testing and Monitoring
218.611	Applicability for Petroleum Solvent Dry Cleaners
218.612	Compliance Dates (Repealed)
218.613	Compliance Plan (Repealed)

SUBPART AA: PAINT AND INK MANUFACTURING

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218.620	Applicability
218.621	Exemption for Waterbase Material and Heatset Offset Ink
218.623	Permit Conditions (Repealed)
218.624	Open-Top Mills, Tanks, Vats or Vessels
218.625	Grinding Mills
218.626	Storage Tanks
218.628	Leaks
218.630	Clean Up
218.636	Compliance Schedule
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SUBPART BB: POLYSTYRENE PLANTS

Section	
218.640	Applicability
218.642	Emissions Limitation at Polystyrene Plants
218.644	Emissions Testing

SUBPART CC: POLYESTER RESIN PRODUCT MANUFACTURING PROCESS

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218.660	Applicability
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218.670	Recordkeeping and Reporting for Exempt Emission Units
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SUBPART DD: AEROSOL CAN FILLING

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218.680	Applicability
218.686	Control Requirements
218.688	Testing
218.690	Recordkeeping and Reporting for Exempt Emission Units
218.692	Recordkeeping and Reporting for Subject Emission Units

SUBPART FF: BAKERY OVENS (Repealed)

Section	
218.720	Applicability (Repealed)
218.722	Control Requirements (Repealed)
218.726	Testing (Repealed)
218.727	Monitoring (Repealed)
218.728	Recordkeeping and Reporting (Repealed)
218.729	Compliance Date (Repealed)
218.730	Certification (Repealed)

SUBPART GG: MARINE TERMINALS

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218.760	Applicability
218.762	Control Requirements
218.764	Compliance Certification
218.766	Leaks
218.768	Testing and Monitoring
218.770	Recordkeeping and Reporting

SUBPART HH: MOTOR VEHICLE REFINISHING

POLLUTION CONTROL BOARD

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 218.780 Emission Limitations
 218.782 Alternative Control Requirements
 218.784 Equipment Specifications
 218.786 Surface Preparation Materials
 218.787 Work Practices
 218.788 Testing
 218.789 Monitoring and Recordkeeping for Control Devices
 218.790 General Recordkeeping and Reporting
 218.791 Compliance Date
 218.792 Registration
 218.875 Applicability of Subpart BB (Renumbered)
 218.877 Emissions Limitation at Polystyrene Plants (Renumbered)
 218.879 Compliance Date (Repealed)
 218.881 Compliance Plan (Repealed)
 218.883 Special Requirements for Compliance Plan (Repealed)
 218.886 Emissions Testing (Renumbered)

SUBPART PP: MISCELLANEOUS FABRICATED PRODUCT MANUFACTURING PROCESSES

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 218.920 Applicability
 218.923 Permit Conditions (Repealed)
 218.926 Control Requirements
 218.927 Compliance Schedule
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SUBPART QQ: MISCELLANEOUS FORMULATION MANUFACTURING PROCESSES

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 218.943 Permit Conditions (Repealed)
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SUBPART RR: MISCELLANEOUS ORGANIC CHEMICAL MANUFACTURING PROCESSES

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218.980 Applicability
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 APPENDIX B VOM Measurement Techniques for Capture Efficiency
 APPENDIX C Reference Methods and Procedures
 APPENDIX D Coefficients for the Total Resource Effectiveness Index (TRE) Equation

APPENDIX E List of Affected Marine Terminals

APPENDIX G TRE Index Measurements for SOCOMI Reactors and Distillation Units

APPENDIX H Baseline VOM Content Limitations for Subpart F, Section 218.212 Cross-Line Averaging

AUTHORITY: Implementing Section 10 and authorized by Section 28.5 of the Environmental Protection Act [415 ILCS 5/10 and 28.5].

SOURCE: Adopted in R91-7 at 15 Ill. Reg. 12231, effective August 16, 1991; amended in R91-24 at 16 Ill. Reg. 13564, effective August 24, 1992; amended in R91-28 and R91-30 at 16 Ill. Reg. 13864, effective August 24, 1992; amended in R93-9 at 17 Ill. Reg. 16636, effective September 27, 1993; amended in R93-14 at 18 Ill. Reg. 1945, effective January 24, 1994; amended in R94-12 at 18 Ill. Reg. 14973, effective September 21, 1994; amended in R94-15 at 18 Ill. Reg. 16392, effective October 25, 1994; amended in R94-16 at 18 Ill. Reg. 16950, effective November 15, 1994; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6848, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7359, effective May 22, 1995; amended in R96-13 at 20 Ill. Reg. 14428, effective October 17, 1996; amended at 21 Ill. Reg. _____, effective _____.

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses, subscript are denoted by brackets, and SUM means the summation series or sigma function as used in mathematics.

SUBPART E: SOLVENT CLEANING

POLLUTION CONTROL BOARD

NOTICE OF PROPOSED AMENDMENTS

Section 218.182 Cold Cleaning

a) Operating Procedures: No person shall operate a cold cleaning degreaser unless:

- 1) Waste solvent is stored in covered containers only and not disposed of in such manner that more than 20% of the waste solvent (by weight) is allowed to evaporate into the atmosphere;
- 2) The cover of the degreaser is closed when parts are not being handled; and
- 3) Parts are drained until dripping ceases.

b) Equipment Requirements: No person shall operate a cold cleaning degreaser unless:

- 1) The degreaser is equipped with a cover which is closed whenever parts are not being handled in the cleaner. The cover shall be designed to be easily operated with one hand or with the mechanical assistance of springs, counter-weights or a powered system if:

A) The solvent vapor pressure is greater than 2 kPa (15 mmHg or 0.3 psi) measured at 38° C (100°F);

B) The solvent is agitated; or

C) The solvent is heated above ambient room temperature.

- 2) The degreaser is equipped with a device for draining cleaned parts. The drainage device shall be constructed so that parts are enclosed under the cover while draining unless:

A) The solvent vapor pressure is less than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F); or

B) An internal drainage device cannot be fitted into the cleaning system, in which case the drainage device may be external.

- 3) The degreaser is equipped with one of the following control devices if the vapor pressure of the solvent is greater than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F) or if the solvent is heated above 50° C (120° F) or its boiling point:

A) A freeboard height of 7/10 of the inside width of the tank or 91 cm (36 in), whichever is less; or

B) Any other equipment or system of equivalent emission control as approved by the Agency and further processed consistent with Section 218.108 of this Part. Such a system may include a water cover, refrigerated chiller or carbon adsorber.

- 4) A permanent conspicuous label summarizing the operating procedure is affixed to the degreaser; and

5) If a solvent spray is used, the degreaser is equipped with a solid fluid stream spray, rather than a fine, atomized or shower spray.

c) Material Requirements:

- 1) On and after March 15, 1999, no person shall:

A) Cause or allow the sale of solvent with a vapor pressure

POLLUTION CONTROL BOARD

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which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F) in units greater than five gallons, for use in cold cleaning degreasing operations located in the area covered by Section 218.103 of this Part.

- B) Operate a cold cleaning degreaser with a solvent vapor pressure which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F).

- 2) On and after March 15, 2001, no person shall:

A) Cause or allow the sale of solvent with a vapor pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F) in units greater than five gallons, for use in cold cleaning degreaser operations located in the area covered by Section 218.103 of this Part.

- B) Operate a cold cleaning degreaser with a solvent vapor pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F).

d) Recordkeeping Requirements: On and after March 15, 1999:

- 1) All persons subject to the requirements of subsections (c)(1)(A) and (c)(2)(A) of this Section must maintain records which include for each sale:

A) The name and address of the solvent purchaser;

B) The date of sale;

C) The type of solvent;

D) The unit volume of solvent;

E) The total volume of solvent; and

F) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).

- 2) All persons subject to the requirements of subsections (c)(1)(B) and (c)(2)(B) of this Section must maintain records which include for each purchase:

A) The name and address of the solvent supplier;

B) The date of purchase;

C) The type of solvent; and

D) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).

- e) All records required by subsection (d) of this Section shall be retained for three years and shall be made available to the Agency upon request.

- f) The cleaning of electronic components as defined in 35 Ill. Adm. Code 211.1885 is exempt from the requirements of subsection (c) of this Section.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Organic Material Emission Standards and Limitations for the Metro-East Area.

- 2) Code Citation: 35 Ill. Adm. Code 219

- 3) Section Numbers: Proposed Action:
219.182 Amended

- 4) Statutory Authority: 415 ILCS 5/27 and 28.5

- 5) A Complete Description of the Subjects and Issues Involved: On January 16, 1997 the Pollution Control Board (Board) received this proposal for rulemaking from the Illinois Environmental Protection Agency (Agency). As explained in the Board's Opinion and Order of January 23, 1997 in Docket R97-24, Section 182(b)(1) of the Clean Air Act (CAA), as amended in 1990, (42 U.S.C. 7511a(b)(1)(A)) requires that ozone nonattainment areas reduce emissions of volatile organic material (VOM) by 15% from 1990 levels by 1996. Section 182(c)(2)(B) of the CAA (42 U.S.C. 7511a(c)(2)(B)) further requires all serious and above ozone nonattainment areas to achieve a 3% reduction of 1990 baseline emissions of VOM each year thereafter for three years until attainment is reached.

In Illinois, the Chicago and Metro-East St. Louis (Metro-East) areas, are classified as "severe" and "moderate" ozone nonattainment areas respectively, and are subject to the 15% rate of progress (ROP) provisions of the CAA. The Chicago ozone nonattainment area is also subject to the 3% ROP reduction requirement, or a 9% total reduction for the year 1999. Although the Metro-East area is not immediately subject to the 3% ROP reduction requirement, the area is at risk of being elevated to the next higher classification, which would implicate the 3% ROP provisions. Furthermore, additional control measures will assist the area in reaching attainment of the ozone national ambient air quality standards (NAAQS).

The Agency states that it has reviewed available control measures that could provide reductions during the period 1996 through 1999. The Agency also states that it has selected, with input provided by the public, the available control measure that is the subject of this rulemaking. Specifically, the Agency proposes to amend 35 Ill. Adm. Code Subpart E, Solvent Cleaning, Sections 218.182 and 219.182 to include more stringent requirements for solvents sold or used in cold cleaning degreasers. The proposal will also amend 35 Ill. Adm. Code 211 to add a definition for electronic components which will apply exclusively to Sections 218.182 and 219.182.

This proposal was filed pursuant to Sections 27 and 28.5 of the Environmental Protection Act (Act) [415 ILCS 5/27 and 28.5] as a fast-track rulemaking proceeding. Section 28.5 requires the Board to proceed with rulemaking under set time frames. The Board has no

POLLUTION CONTROL BOARD

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discretion to adjust these time frames under any circumstances. The following schedule indicates the deadlines by which the Board must act, as provided in Section 28.5:

First Notice: on or before January 30, 1997;

First Hearing: on or before March 11, 1997;

Second Hearing: no later than 30 days after the start of the first hearing;

Third Hearing: no later than 14 days after the start of the second hearing;

Second Notice:

if 3rd Hearing canceled: on or before May 25, 1997;

if 3rd Hearing held: on or before June 14, 1997;

Final Adoption and Filing: 21 days after receipt of JCAR certificate of no objection.

- 6) Will this proposed rule(s) replace an emergency rule currently in effect?
No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed rule(s) (amendment, repealer) contain incorporations by reference? No

- 9) Are there any other proposed amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: These proposed amendments do not create or enlarge a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)].

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Send written comments concerning R97-24 within 45 days after publication in the *Illinois Register* to:

Dorothy Gunn
Clerk of the Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, IL 60601
312/814-6931

and

Christina L. Archer
Assistant Counsel
Illinois Environmental Protection Agency
Bureau of Air
P.O. Box 19276

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NOTICE OF PROPOSED AMENDMENTS

Springfield, IL 62794-9276
217/524-3333

Questions may be addressed to:

K.C. Poulos, Attorney
Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, IL 60601
312/814-3665

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses affected: Those that engage in cold cleaning degreasing or sell solvents for use in cold cleaning degreasing operations.
- B) Reporting, bookkeeping or other procedures required for compliance: Recordkeeping to the extent necessary to demonstrate that a source is either not subject to the requirements of the proposed amendments or to demonstrate that the source is meeting the requirements of the proposal.
- C) Types of professional skills necessary for compliance: Technical, perhaps engineering and clerical.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the Proposed Amendments begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE B: AIR POLLUTION

CHAPTER I: POLLUTION CONTROL BOARD

SUBCHAPTER C: EMISSIONS STANDARDS AND LIMITATIONS
FOR STATIONARY SOURCES

PART 219

ORGANIC MATERIAL EMISSION STANDARDS AND LIMITATIONS
FOR THE METRO EAST AREA

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219.101	Savings Clause
219.102	Abbreviations and Conversion Factors
219.103	Applicability
219.104	Definitions
219.105	Test Methods and Procedures
219.106	Compliance Dates
219.107	Operation of Afterburners
219.108	Exemptions, Variations, and Alternative Means of Control or Compliance Determinations
219.109	Vapor Pressure of Volatile Organic Liquids
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219.112	Incorporations by Reference
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SUBPART B: ORGANIC EMISSIONS FROM STORAGE AND LOADING OPERATIONS

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219.119	Applicability for VOL
219.120	Control Requirements for Storage Containers of VOL
219.121	Storage Containers of VPL
219.122	Loading Operations
219.123	Petroleum Liquid Storage Tanks
219.124	External Floating Roofs
219.125	Compliance Dates
219.126	Compliance Plan (Repealed)
219.127	Testing VOL Operations
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219.129	Recordkeeping and Reporting for VOL Operations

SUBPART C: ORGANIC EMISSIONS FROM MISCELLANEOUS EQUIPMENT

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219.141	Separation Operations

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219.142 Pumps and Compressors
219.143 Vapor Blowdown
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Section

219.181 Solvent Cleaning in General
219.182 Cold Cleaning
219.183 Open Top Vapor Degreasing
219.184 Conveyorized Degreasing
219.185 Compliance Schedule (Repealed)
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219.204 Emission Limitations
219.205 Daily-Weighted Average Limitations
219.206 Solids Basis Calculation
219.207 Alternative Emission Limitations
219.208 Exemptions From Emission Limitations
219.209 Exemption from General Rule on Use of Organic Material
219.210 Compliance Schedule
219.211 Recordkeeping and Reporting
219.212 Cross-Line Averaging to Establish Compliance for Coating Lines
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219.301 Use of Organic Material
219.302 Alternative Standard
219.303 Fuel Combustion Emission Units
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SUBPART H: PRINTING AND PUBLISHING

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219.401 Flexographic and Rotogravure Printing
219.402 Applicability
219.403 Compliance Schedule
219.404 Recordkeeping and Reporting
219.405 Lithographic Printing: Applicability
219.406 Provisions Applying to Heatset Web Offset Lithographic Printing Prior to March 15, 1996

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219.407 Emission Limitations and Control Requirements for Lithographic Printing Lines On and After March 15, 1996
219.408 Compliance Schedule for Lithographic Printing on and After March 15, 1996
219.409 Testing for Lithographic Printing On and After March 15, 1996
219.410 Monitoring Requirements for Lithographic Printing
219.411 Recordkeeping and Reporting for Lithographic Printing

SUBPART Q: SYNTHETIC ORGANIC CHEMICAL AND POLYMER MANUFACTURING PLANT

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219.421 General Requirements
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219.430 Compliance Date (Repealed)
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SUBPART R: PETROLEUM REFINING AND RELATED INDUSTRIES; ASPHALT MATERIALS

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219.442 Vacuum Producing Systems
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219.446 Monitoring Program Plan for Leaks
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219.451 Sealing Device Requirements
219.452 Compliance Schedule for Leaks
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SUBPART S: RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS

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219.461 Manufacture of Pneumatic Rubber Tires
 219.462 Green Tire Spraying Operations
 219.463 Alternative Emission Reduction Systems
 219.464 Emission Testing
 219.465 Compliance Dates (Repealed)
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 219.482 Control of Air Dryers, Production Equipment Exhaust Systems and Filters
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 219.502 Determination of Uncontrolled Total Annual Mass Emissions and Actual Weighted Average Flow Rate Values for Batch Operations
 219.503 Performance and Testing Requirements for Batch Operations
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 219.505 Reporting and Recordkeeping for Batch Operations
 219.506 Compliance Date
 219.520 Emission Limitations for Air Oxidation Processes
 219.521 Definitions (Repealed)
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 219.524 Determination of Applicability
 219.525 Emission Limitations for Air Oxidation Processes (Renumbered)
 219.526 Testing and Monitoring
 219.527 Compliance Date (Repealed)

SUBPART W: AGRICULTURE

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219.561 Architectural Coatings
 219.562 Paving Operations
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SUBPART Y: GASOLINE DISTRIBUTION

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219.581 Bulk Gasoline Plants
 219.582 Bulk Gasoline Terminals
 219.583 Gasoline Dispensing Operations - Storage Tank Filling Operations
 219.584 Gasoline Delivery Vessels
 219.585 Gasoline Volatility Standards
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219.601 Perchloroethylene Dry Cleaners
 219.602 Exemptions
 219.603 Leaks
 219.604 Compliance Dates (Repealed)
 219.605 Compliance Plan (Repealed)
 219.606 Exception to Compliance Plan (Repealed)
 219.607 Standards for Petroleum Solvent Dry Cleaners
 219.608 Operating Practices for Petroleum Solvent Dry Cleaners
 219.609 Program for Inspection and Repair of Leaks
 219.610 Testing and Monitoring
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 219.612 Compliance Dates (Repealed)
 219.613 Compliance Plan (Repealed)

SUBPART AA: PAINT AND INK MANUFACTURING

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219.620 Applicability
 219.621 Exemption for Waterbase Material and Heatset- Offset Ink
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 219.625 Grinding Mills
 219.626 Storage Tanks
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Emissions Testing

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Control Requirements (Repealed)
Testing (Repealed)
Monitoring (Repealed)
Recordkeeping and Reporting (Repealed)
Compliance Date (Repealed)
Certification (Repealed)

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Emissions Limitation at Polystyrene Plants (Renumbered)
Compliance Date (Repealed)
Compliance Plan (Repealed)
Special Requirements for Compliance Plan (Repealed)
Emissions Testing (Renumbered)

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Testing

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Permit Conditions
Control Requirements
Compliance Schedule
Testing

SUBPART RR: MISCELLANEOUS ORGANIC CHEMICAL MANUFACTURING PROCESSES

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Exempt Emission Units
Subject Emission Units

APPENDIX A

List of Chemicals Defining Synthetic Organic Chemical and Polymer Manufacturing

APPENDIX B

VOM Measurement Techniques for Capture Efficiency

APPENDIX C

Reference Methods and Procedures

APPENDIX D

Coefficients for the Total Resource Effectiveness Index (TRE) Equation

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- APPENDIX E List of Affected Marine Terminals
 APPENDIX G THE Index Measurements for SOCOMI Reactors and Distillation Units
 APPENDIX H Baseline VOM Content Limitations for Subpart F, Section 219.212 Cross-Line Averaging

AUTHORITY: Implementing Section 10 and authorized by Section 28.5 of the Environmental Protection Act [415 ILCS 5/10 and 28.5].

SOURCE: Adopted in R91-8 at 15 Ill. Reg. 12491, effective August 16, 1991; amended in R91-24 at 16 Ill. Reg. 13597, effective August 24, 1992; amended in R91-30 at 16 Ill. Reg. 13883, effective August 24, 1992; emergency amendment in R93-12 at 17 Ill. Reg. 8295, effective May 24, 1993, for a maximum of 150 days; amended in R93-9 at 17 Ill. Reg. 16918, effective September 27, 1993 and October 21, 1993; amended in R93-28 at 18 Ill. Reg. 4242, effective March 3, 1994; amended in R94-12 at 18 Ill. Reg. 14987, effective September 21, 1994; amended in R94-15 at 18 Ill. Reg. 16415, effective October 25, 1994; amended in R94-16 at 18 Ill. Reg. 16980, effective November 15, 1994; emergency amendment in R95-10 at 19 Ill. Reg. 3059, effective February 28, 1995, for a maximum of 150 days; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6958, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7385, effective May 22, 1995; amended in R96-2 at 20 Ill. Reg. 3848, effective February 15, 1996; amended in R96-13 at 20 Ill. Reg. 14462, effective October 28, 1996; amended at 21 Ill. Reg. _____, effective _____.

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses, subscript are denoted by brackets, and SUM means the summation series or sigma function as used in mathematics.

SUBPART E: SOLVENT CLEANING

Section 219.182 Cold Cleaning

- a) Operating Procedures: No person shall operate a cold cleaning degreaser unless:
- 1) Waste solvent is stored in covered containers only and not disposed of in such a manner that more than 20% of the waste solvent (by weight) is allowed to evaporate into the atmosphere;
 - 2) The cover of the degreaser is closed when parts are not being handled; and
 - 3) Parts are drained until dripping ceases.
- b) Equipment Requirements: No person shall operate a cold cleaning degreaser unless:
- 1) The degreaser is equipped with a cover which is closed whenever parts are not being handled in the cleaner. The cover shall be

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designed to be easily operated with one hand or with the mechanical assistance of springs, counter-weights or a powered system if:

- A) The solvent vapor pressure is greater than 2 kPa (15 mmHg or 0.3 psi) measured at 38° C (100° F);
 - B) The solvent is agitated; or
 - C) The solvent is heated above ambient room temperature.
- 2) The degreaser is equipped with a device for draining cleaned parts. The drainage device shall be constructed so that parts are enclosed under the cover while draining unless:
- A) The solvent vapor pressure is less than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F); or
 - B) An internal drainage device cannot be fitted into the cleaning system, in which case the drainage device may be external.
- 3) The degreaser is equipped with one of the following control devices if the vapor pressure of the solvent is greater than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F) or if the solvent is heated above 50° C (120° F) or its boiling point:
- A) A freeboard height of 7/10 of the inside width of the tank or 91 cm (36 in), whichever is less; or
 - B) Any other equipment or system of equivalent emission control as approved by the Agency and further processed consistent with Section 219.108 of this Part. Such a system may include a water cover, refrigerated chiller or carbon adsorber.
- 4) A permanent conspicuous label summarizing the operating procedure is affixed to the degreaser, ~~7-and~~
- 5) If a solvent spray is used, the degreaser is equipped with a solid fluid stream spray, rather than a fine, atomized or shower spray.

c) Material Requirements:

- 1) On and after March 15, 1999, no person shall:

- A) Cause or allow the sale of solvent with a vapor pressure which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F) in units greater than five gallons, for use in cold cleaning degreasing operations located in the area covered by Section 219.103 of this Part.
 - B) Operate a cold cleaning degreaser with a solvent vapor pressure which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F).
- 2) On and after March 15, 2001, no person shall:
- A) Cause or allow the sale of solvent with a vapor pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F) in units greater than five gallons, for use in cold cleaning degreasing operations located in the area covered by Section 219.103 of this Part.
 - B) Operate a cold cleaning degreaser with a solvent vapor

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pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F).

d) Recordkeeping Requirements: On and after March 15, 1999:

- 1) All persons subject to the requirements of subsections (c)(1)(A) and (c)(2)(A) of this Section must maintain records which include for each sale:
 - A) The name and address of the solvent purchaser;
 - B) The date of sale;
 - C) The type of solvent;
 - D) The unit volume of solvent;
 - E) The total volume of solvent; and
 - F) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).

- 2) All persons subject to the requirements of subsections (c)(1)(B) and (c)(2)(B) of this Section must maintain records which include for each purchase:
 - A) The name and address of the solvent supplier;
 - B) The date of purchase;
 - C) The type of solvent; and
 - D) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).

- e) All records required by subsection (d) of this Section shall be retained for three years and shall be made available to the Agency upon request.

- f) The cleaning of electronic components as defined in 35 Ill. Adm. Code 211.1885 is exempt from the requirements of subsection (c) of this Section.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Health Care Facility and Program Initial Certification Fee Code
- 2) Code Citation: 77 Ill. Adm. Code 230
- 3) Section Numbers: Proposed Action:

230.100	New Section
230.200	New Section
230.300	New Section
230.400	New Section
- 4) Statutory Authority: Section 55.82 of the Civil Administrative Code of Illinois [20 ILCS 2310/55.82]

- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements Section 55.82 of the Civil Administrative Code of Illinois [20 ILCS 2310/55.82], which was added by P.A. 89-499 to permit the Department to charge a fee for initial certification (Medicare and Medicaid) surveys.

The federal government reimburses the Department for the cost of doing certification surveys; however, the cost of conducting initial certification surveys was not reimbursed to the Department by the federal government during the last federal fiscal year. Therefore, the Department did not conduct initial certification surveys for approximately eight months, causing more than 30 initial certification surveys to be delayed. Without an initial survey, an entity cannot participate in the certification program. If the Department can charge an initial certification fee, surveys can be conducted even when the federal government is not providing reimbursement.

This rulemaking requires the Department to establish a cost for conducting health care facility or program initial certification inspections within 30 days after adopting this rule. The fee charged to an entity applying for initial certification would be the cost established by the Department less reimbursement made to the State by the federal government.

Paying a fee for an initial certification survey is voluntary. There is no penalty if an entity chooses not to pay the fee. The initial certification survey would just be conducted when reimbursement from the federal government resumes. The rule requires the Department to advise an entity of the initial certification fee.

- 6) Will this Rulemaking Replace an Emergency Rule Currently in Effect? No

- 7) Does this Rulemaking Contain an Automatic Repeal Date? No

- 8) Does this Rulemaking Contain Any Incorporations By Reference? No

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

9) Are there any other Proposed Amendments Pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not expand or create a State Mandate.

11) Time, Place, and Manner in which Interested Persons May Comment on this Rulemaking: Interested persons may present their comments concerning these rules by writing to

Ms. Gail M. DeVito
Division of Governmental Affairs
Illinois Department of Public Health
535 West Jefferson, Fifth Floor
Springfield, Illinois 62761
(217/782-6187)

within 45 days after this issue of the *Illinois Register*.

These rules may have an impact on small businesses. In accordance with Sections 1-75 and 5-30 of the Illinois Administrative Procedure Act, any small business may present its comments in writing to Gail M. DeVito at the above address.

Any small business (as defined in Section 1-75 of the Illinois Administrative Procedure Act) commenting on these rules shall indicate its status as such, in writing, in its comments.

12) Initial Regulatory Flexibility Analysis:

- A) Type of Small Businesses, Small Municipalities and Not-for-Profit Corporations Affected: Nursing homes, home health agencies, hospices, rural health clinics, hospitals, occupational therapists, speech pathologists, physical therapists, comprehensive outpatient rehabilitation facilities, portable x-ray, end stage renal disease centers.
- B) Reporting, Bookkeeping or Other Procedures Required for Compliance: None
- C) Types of Professional Skills Necessary for Compliance: None

13) This rule was not included on either of the 2 most recent regulatory agendas because: This rulemaking implements legislation that became effective after publication of the most recent regulatory agenda.

The full text of the Proposed Rules begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER b: HOSPITALS AND AMBULATORY CARE FACILITIES

PART 230

HEALTH CARE FACILITY AND PROGRAM INITIAL CERTIFICATION FEE CODE

Section	Definitions
230.100	Establishing Costs and Fees
230.200	Fee Notice and Application Processing
230.300	Health Care Facility and Program Survey Fund
230.400	

AUTHORITY: Implementing and authorized by Section 55.82 of the Civil Administrative Code of Illinois [20 ILCS 2310/55.82].

SOURCE: Adopted at 21 Ill. Reg. _____, effective _____.

Section 230.100 Definitions

The following terms shall have the meanings ascribed to them here whenever the term is used in this Part.

Applicant - the health care facility or program applying for initial Medicare or Medicaid certification.

Department - the Illinois Department of Public Health.

Health Care Facility or Program - those entities which are surveyed by the Department for participation in the Medicare program under Title XVIII of the federal Social Security Act or in the Medicaid program under Title XIX of the federal Social Security Act. (Section 55.82 of the Civil Administrative Code of Illinois [20 ILCS 2310/55.82])

Section 230.200 Establishing Costs and Fees

- a) The cost of conducting health care facility or program initial certification inspections shall be established by the Department within 30 days after adoption of this Part based on actual average costs of conducting initial certification inspections. Costs may distinguish between inspection type (i.e., certification category, size, etc.).
- b) The cost of conducting health care facility and program initial certification inspections shall be evaluated by the Department at least annually and adjusted, if necessary.
- c) The fee charged to a health care facility or program for an initial

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED RULES

certification inspection shall be the cost established by the Department less reimbursement to the State by the federal government. (Section 55.82 of the Civil Administrative Code of Illinois)

Section 230.300 Fee Notice and Application Processing

- a) Within 30 days after a health care facility or program has submitted to the Department all necessary documents for initial certification, in the format required by the Department, the Department shall notify the applicant of the fee for the initial certification inspection.
- b) The applicant shall submit the fee to the Department within 30 days after receipt of the notice, or the applicant shall be considered to have declined the certification inspection.
- c) The Department shall process the application and conduct an initial certification inspection within 30 days after receipt of the initial certification inspection fee.
- d) The applicant may decline to pay for an initial certification inspection without penalty.
- e) The Department shall not refund initial certification inspection fees.

Section 230.400 Health Care Facility and Program Survey Fund

The fees received by the Department shall be deposited into the Health Care Facility and Program Survey Fund. (Section 55.82 of the Civil Administrative Code of Illinois)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Intermediate Care for the Developmentally Disabled Facilities Code

- 2) Code Citation: 77 Ill. Adm. Code 350

- 3) Section Numbers: 350.625
Proposed Action: New Section

- 4) Statutory Authority: Nursing Home Care Act [210 ILCS 45]

- 5) A Complete Description of the Subjects and Issues Involved: Part 350 is being amended in response to P.A. 89-21 (S.B. 465, effective January 1, 1996), which amended the Nursing Home Care Act to require all persons seeking admission to a nursing facility to be screened prior to admission to determine the need for nursing facility services, regardless of income, assets or funding source. Screening will be accomplished by the Department on Aging for individuals 60 years of age or older who are not developmentally disabled and do not have a severe mental illness; by the Department of Rehabilitation Services for individuals 18-59 years of age who are not developmentally disabled and do not have a severe mental illness; by the Department of Mental Health and Developmental Disabilities for individuals with developmental disabilities or a severe mental illness; and by the Department of Public Aid for individuals who seek eligibility for medical assistance from the medical assistance program under the Illinois Public Aid Code.

The economic effect of this proposed rulemaking is unknown. Therefore, the Department requests any information that would assist in calculating this effect.

The Department anticipates adoption of this rulemaking approximately six to nine months after publication of this notice in the *Illinois Register*.

- 6) Will this Rulemaking Replace an Emergency Rule Currently in Effect? No

- 7) Does this Rulemaking Contain an Automatic Repeal Date? No

- 8) Does this Rulemaking Contain Any Incorporations By Reference? No

- 9) Are there any other Proposed Amendments Pending on this Part? No

- 10) Statement of Statewide Policy Objectives:

This rulemaking does not create or expand a State Mandate.

- 11) Time, Place, and Manner in which Interested Persons May Comment on this Rulemaking: Interested persons may present their comments concerning these rules by writing to:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

Ms. Gail M. Devito
Division of Governmental Affairs
Illinois Department of Public Health
535 West Jefferson Fifth Floor
Springfield, Illinois 62761
(217)782-6187

within 45 days after this issue of the *Illinois Register*.

These rules may have an impact on small businesses. In accordance with Sections 1-75 and 5-30 of the Illinois Administrative Procedure Act, any small business may present its comments in writing to Gail M. Devito at the above address.

Any small business (as defined in Section 1-75 of the Illinois Administrative Procedure Act) commenting on these rules shall indicate its status as such, in writing, in its comments.

12) Initial Regulatory Flexibility Analysis:

A) Type of Small Businesses, Small Municipalities and Not-for-Profit Corporations Affected: long-term care facilities

B) Reporting, Bookkeeping or Other Procedures Required for Compliance:
none

C) Types of Professional Skills Necessary for Compliance: none

13) The regulatory Agenda in which this rule was summarized: This rule was not included on either of the 2 most recent regulatory agendas because: This rulemaking implements legislation that became effective after the publication of the Department's most recent regulatory agenda.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER C: LONG-TERM CARE FACILITIES

PART 350

INTERMEDIATE CARE FOR THE DEVELOPMENTALLY DISABLED FACILITIES CODE

SUBPART A: GENERAL PROVISIONS

Section	
350.110	General Requirements
350.120	Application for License
350.130	Licensee
350.140	Issuance of an Initial License for a New Facility
350.150	Issuance of an Initial License Due to a Change of Ownership
350.160	Issuance of a Renewal License
350.165	Criteria for Adverse Licensure Actions
350.170	Denial of Initial License
350.175	Denial of Renewal of License
350.180	Revocation of License
350.190	Experimental Program Conflicting With Requirements
350.200	Inspections, Surveys, Evaluations and Consultation
350.210	Filing an Annual Attested Financial Statement
350.220	Information to Be Made Available to the Public By the Department
350.230	Information to Be Made Available to the Public By the Licensee
350.240	Municipal Licensure
350.250	Ownership Disclosure
350.260	Issuance of Conditional Licenses
350.270	Monitor and Receivership
350.271	Presentation of Findings
350.272	Determination to Issue a Notice of Violation or Administrative Warning
350.274	Determination of the Level of a Violation
350.276	Notice of Violation
350.277	Administrative Warning
350.278	Plans of Correction
350.280	Reports of Correction
350.282	Conditions for Assessment of Penalties
350.284	Calculation of Penalties
350.286	Determination to Assess Penalties
350.288	Reduction or Waiver of Penalties
350.290	Quarterly List of Violators
350.300	Alcoholism Treatment Programs In Long-Term Care Facilities
350.310	Department May Survey Facilities Formerly Licensed
350.320	Waivers
350.330	Definitions
350.340	Incorporated and Referenced Materials

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

SUBPART B: ADMINISTRATION

Section
350.510 Administrator

SUBPART C: POLICIES

Section
350.610 Management Policies
350.620 Resident Care Policies
350.625 Determination of Need Screening
350.630 Admission and Discharge Policies
350.640 Contract Between Resident and Facility
350.650 Residents' Advisory Council
350.660 General Policies
350.670 Personnel Policies
350.675 Initial Health Evaluation for Employees
350.680 Developmental Disabilities Aides
350.681 Health Care Worker Background Check
350.683 Registry of Developmental Disabilities Aides
350.685 Student Interns
350.690 Disaster Preparedness
350.700 Serious Incidents and Accidents

SUBPART D: PERSONNEL

Section
350.810 Personnel
350.820 Consultation Services
350.830 Personnel Policies

SUBPART E: RESIDENT LIVING SERVICES

Section
350.1010 Service Programs
350.1020 Psychological Services
350.1030 Social Services
350.1040 Speech Pathology and Audiology Services
350.1050 Recreational and Activities Services
350.1060 Training and Habilitation Services
350.1070 Training and Habilitation Staff
350.1080 Restraints
350.1082 Nonemergency Use of Physical Restraints
350.1084 Emergency Use of Physical Restraints
350.1086 Unnecessary, Psychotropic and Antipsychotic Drugs

SUBPART F: HEALTH SERVICES

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

Section
350.1210 Health Services
350.1220 Physician Services
350.1225 Tuberculin Skin Test Procedures
350.1230 Nursing Services
350.1235 Life-Sustaining Treatments
350.1240 Dental Services
350.1250 Physical and Occupational Therapy Services

SUBPART G: MEDICATIONS

Section
350.1410 Medication Policies and Procedures
350.1420 Conformance with Physician's Orders
350.1430 Administration of Medication
350.1440 Labeling and Storage
350.1450 Control of Narcotics and Legend Drugs

SUBPART H: RESIDENT AND FACILITY RECORDS

Section
350.1610 Resident Record Requirements
350.1620 Content of Medical Records
350.1630 Confidentiality of Resident's Records
350.1640 Records Pertaining to Residents' Property
350.1650 Retention and Transfer of Resident Records
350.1660 Other Resident Record Requirements
350.1670 Staff Responsibility for Medical Records
350.1680 Retention of Facility Records
350.1690 Other Facility Record Requirements

SUBPART I: FOOD SERVICE

Section
350.1810 Director of Food Services
350.1820 Dietary Staff in Addition to Director of Food Services
350.1830 Hygiene of Dietary Staff
350.1840 Diet Orders
350.1850 Adequacy of Diet and Meal Pattern
350.1860 Therapeutic Diets
350.1870 Scheduling Meals
350.1880 Menu Planning
350.1890 Food Preparation and Service
350.1900 Food Handling Sanitation
350.1910 Kitchen Equipment, Utensils, and Supplies

SUBPART J: MAINTENANCE, HOUSEKEEPING AND LAUNDRY

DEPARTMENT OF PUBLIC HEALTH

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Section

350.2010 Maintenance
350.2020 Housekeeping
350.2030 Laundry Services

SUBPART K: FURNISHINGS, EQUIPMENT, AND SUPPLIES

Section

350.2210 Furnishings
350.2220 Equipment and Supplies

SUBPART L: WATER SUPPLY AND SEWAGE DISPOSAL

Section

350.2410 Codes
350.2420 Water Supply
350.2430 Sewage Disposal
350.2440 Plumbing

SUBPART M: CONSTRUCTION STANDARDS FOR NEW INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

Section

350.2610 Applicability of These Standards
350.2620 Codes and Standards
350.2630 Preparation of Drawings and Specifications
350.2640 Site
350.2650 Administration and Public Areas
350.2660 Nursing Unit
350.2670 Dining, Living, Activities Rooms
350.2680 Therapy and Personal Care
350.2690 Service Departments
350.2700 General Building Requirements
350.2710 Structural
350.2720 Mechanical Systems
350.2730 Plumbing Systems
350.2740 Electrical Systems

SUBPART N: CONSTRUCTION STANDARDS FOR EXISTING INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

Section

350.2910 Applicability
350.2920 Codes and Standards
350.2930 Preparation of Drawings and Specifications
350.2940 Site
350.2950 Administration and Public Areas
350.2960 Nursing Unit

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

Section

350.2970 Living, Dining, Activities Rooms
350.2980 Treatment and Personal Care
350.2990 Service Departments
350.3000 General Building Requirements
350.3010 Structural
350.3020 Mechanical Systems
350.3030 Plumbing Systems
350.3040 Electrical Requirements

SUBPART O: RESIDENT'S RIGHTS

Section

350.3210 General
350.3220 Medical and Personal Care Program
350.3230 Restraints
350.3240 Abuse and Neglect
350.3250 Communication and Visitation
350.3260 Resident's Funds
350.3270 Residents' Advisory Council
350.3280 Contract With Facility
350.3290 Private Right of Action
350.3300 Transfer or Discharge
350.3310 Complaint Procedures
350.3320 Confidentiality
350.3330 Facility Implementation

SUBPART P: SPECIAL STANDARDS FOR INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED OF 16 BEDS OR LESS

Section

350.3710 Applicability of Other Provisions of this Part
350.3720 Administration
350.3730 Admission and Discharge Policies
350.3740 Personnel
350.3750 Consultation Services and Nursing Services
350.3760 Medication Policies
350.3770 Food Services
350.3780 Codes and Standards
350.3790 Administration and Public Areas
350.3800 Bedrooms
350.3810 Nurses Station
350.3820 Bath and Toilet Rooms
350.3830 Utility Rooms
350.3840 Living, Dining, Activity Rooms
350.3850 Therapy and Personal Care
350.3860 Kitchen
350.3870 Laundry Room
350.3880 General Building Requirements

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

350.3890	Corridors
350.3900	Special Care Room
350.3910	Exit Facilities and Subdivision of Floor Areas
350.3920	Stairways, Vertical Openings and Doorways
350.3930	Hazardous Areas and Combustible Storage
350.3940	Mechanical Systems
350.3950	Heating, Cooling, and Ventilating Systems
350.3960	Plumbing Systems
350.3970	Electrical Systems
350.3980	Fire Alarm and Detection System
350.3990	Emergency Electrical System
350.4000	Fire Protection
350.4010	Construction Types
350.4020	Equivalencies
350.4030	New Construction Requirements

SUBPART Q: DAY CARE PROGRAMS

Section	Day Care in Long-Term Care Facilities
350.4210	
APPENDIX A	Classification of Distinct Part of a Facility for Different Levels of Service (Repealed)
APPENDIX B	Federal Requirements Regarding Residents' Rights
APPENDIX C	Seismic Zone Map
APPENDIX D	Forms for Day Care in Long-Term Care Facilities
APPENDIX E	Guidelines for the Use of Various Drugs
TABLE A	Sound Transmission Limitations in New Intermediate Care Facilities for the Developmentally Disabled
TABLE B	Pressure Relationships and Ventilation Rate of Certain Areas for the New Intermediate Care Facilities for the Developmentally Disabled
TABLE C	Construction Types and Sprinkler Requirements for Existing Intermediate Care Facilities for the Developmentally Disabled
TABLE D	Food Service Sanitation Rules and Regulations, 77 Ill. Adm. Code 750, 1983 Applicable for New Intermediate Care Facilities for the Developmentally Disabled of Sixteen (16) Beds or Less
TABLE E	Construction Types and Sprinkler Requirements for New Intermediate Care Facilities for the Developmentally Disabled of Sixteen (16) Beds or Less
TABLE F	Disaster Preparedness Parameters - Relative Humidity and Temperature

AUTHORITY: Implementing and authorized by the Nursing Home Care Act [210 ILCS 45].

SOURCE: Emergency rules adopted at 4 Ill. Reg. 10, p. 495, effective March 1, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 30, p. 1, effective

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

July 28, 1980; amended at 5 Ill. Reg. 1657, effective February 4, 1981; amended at 6 Ill. Reg. 5981, effective May 3, 1982; amended at 6 Ill. Reg. 6453, effective May 14, 1982; amended at 6 Ill. Reg. 8198, effective June 29, 1982; amended at 6 Ill. Reg. 14544, effective November 8, 1982; amended at 6 Ill. Reg. 14675, effective November 15, 1982; amended at 6 Ill. Reg. 15556, effective December 15, 1982; amended at 7 Ill. Reg. 278, effective December 22, 1982; amended at 7 Ill. Reg. 1919 and 1945, effective January 28, 1983; amended at 7 Ill. Reg. 7963, effective July 1, 1983; amended at 7 Ill. Reg. 15817, effective November 15, 1983; amended at 7 Ill. Reg. 16984, effective December 14, 1983; amended at 8 Ill. Reg. 15574 and 15578 and 15581, effective August 15, 1984; amended at 8 Ill. Reg. 15935, effective August 17, 1984; amended at 8 Ill. Reg. 16980, effective September 5, 1984; codified at 8 Ill. Reg. 19806; amended at 8 Ill. Reg. 24214, effective November 29, 1984; amended at 8 Ill. Reg. 24680, effective December 7, 1984; amended at 9 Ill. Reg. 142, effective December 26, 1984; amended at 9 Ill. Reg. 331, effective December 28, 1984; amended at 9 Ill. Reg. 2964, effective February 25, 1985; amended at 9 Ill. Reg. 10876, effective July 1, 1985; amended at 11 Ill. Reg. 14795, effective October 1, 1987; amended at 11 Ill. Reg. 16830, effective October 1, 1987; amended at 12 Ill. Reg. 979, effective December 24, 1987; amended at 12 Ill. Reg. 16838, effective October 1, 1988; emergency amendment at 12 Ill. Reg. 18705, effective October 24, 1988, for a maximum of 150 days; emergency expired March 23, 1989; amended at 13 Ill. Reg. 6040, effective April 17, 1989; amended at 13 Ill. Reg. 19451, effective December 1, 1989; amended at 14 Ill. Reg. 14876, effective October 1, 1990; amended at 15 Ill. Reg. 466, effective January 1, 1991; amended at 16 Ill. Reg. 594, effective January 1, 1992; amended at 16 Ill. Reg. 13910, effective September 1, 1992; amended at 17 Ill. Reg. 2351, effective February 10, 1993; emergency amendment at 17 Ill. Reg. 2373, effective February 3, 1993, for a maximum of 150 days; emergency expired on July 3, 1993; emergency amendment at 17 Ill. Reg. 7948, effective May 6, 1993, for a maximum of 150 days; emergency expired on October 3, 1993; emergency amendment at 17 Ill. Reg. 9105, effective June 7, 1993, for a maximum of 150 days; emergency expired on November 4, 1993; amended at 17 Ill. Reg. 15056, effective September 3, 1993; amended at 17 Ill. Reg. 16158, effective January 1, 1994; amended at 17 Ill. Reg. 19210, effective October 26, 1993; amended at 17 Ill. Reg. 19517, effective November 4, 1993; amended at 17 Ill. Reg. 21017, effective November 20, 1993; amended at 18 Ill. Reg. 1432, effective January 14, 1994; amended at 18 Ill. Reg. 15789, effective October 15, 1994; amended at 19 Ill. Reg. 11481, effective July 29, 1995; emergency amendment at 20 Ill. Reg. 512, effective January 1, 1996, for a maximum of 150 days; emergency expired May 29, 1996; amended at 20 Ill. Reg. 10065, effective July 15, 1996; amended at 20 Ill. Reg. 12049, effective September 10, 1996; amended at 21 Ill. Reg. _____, effective _____.

SUBPART C: POLICIES

Section 350.625 Determination of Need Screening

a) For the purpose of this Section only, a nursing facility is any bed

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

licensed as a skilled nursing or intermediate care facility bed, or a location certified to participate in the Medicare program under Title XVIII of the Social Security Act or Medicaid program under Title XIX of the Social Security Act.

b) All persons seeking admission to a nursing facility must be screened to determine the need for nursing facility services prior to being admitted, regardless of income, assets, or funding source. (Section 2-201.5 of the Act) A screening assessment is not required provided one of the conditions in Section 140.642(c) of the Department of Public Aid's rules entitled "Medical Payment" (89 Ill. Adm. Code 140.642(c)) is met.

c) Any person who seeks to become eligible for medical assistance from the Medical Assistance program under the Illinois Public Aid Code to pay for long-term care services while residing in a facility shall be screened in accordance with 89 Ill. Adm. Code 140.642(b)(4). (Section 2-201.5 of the Act)

d) Screening shall be administered through procedures established by administrative rule by the agency responsible for screening. (Section 2-201.5 of the Act) The Illinois Department on Aging is responsible for the screening required in subsection (b) of this Section for individuals 60 years of age or older who are not developmentally disabled and do not have a severe mental illness. The Illinois Department of Rehabilitation Services is responsible for the screening required in subsection (b) of this Section for individuals 18 through 59 years of age who are not developmentally disabled and do not have a severe mental illness. The Department of Mental Health and Developmental Disabilities is responsible for the screening required in subsection (b) of this Section for individuals with developmental disabilities or a severe mental illness. The Illinois Department of Public Aid or its designee is responsible for the screening required in subsection (c) of this Section.

(Source: Added at 21 Ill. Reg. _____, effective _____)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Skilled Nursing and Intermediate Care Facilities Code

2) Code Citation: 77 Ill. Adm. Code 300

3) Section Numbers: Proposed Action:
300.620 New Section

4) Statutory Authority: Nursing Home Care Act [210 ILCS 45]

5) A Complete Description of the Subjects and Issues Involved: Part 300 is being amended in response to P.A. 89-21 (S.B. 465, effective January 1, 1996), which amended the Nursing Home Care Act to require all persons seeking admission to a nursing facility to be screened prior to admission to determine the need for nursing facility services, regardless of income, assets or funding source. Screening will be accomplished by the Department on Aging for individuals 60 years of age or older who are not developmentally disabled and do not have a severe mental illness; by the Department of Rehabilitation Services for individuals 18-59 years of age who are not developmentally disabled and do not have a severe mental illness; by the Department of Mental Health and Developmental Disabilities for individuals with developmental disabilities or a severe mental illness; by the Department of Public Aid for individuals who seek eligibility for medical assistance from the medical assistance program under the Illinois Public Aid Code.

The economic effect of this proposed rulemaking is unknown. Therefore, the Department requests any information that would assist in calculating this effect.

The Department anticipates adoption of this rulemaking approximately six to nine months after publication of this notice in the *Illinois Register*.

6) Will this Rulemaking Replace an Emergency Rule Currently in Effect? No

7) Does this Rulemaking Contain an Automatic Repeal Date? No

8) Does this Rulemaking Contain Any Incorporations By Reference? No

9) Are there any other Proposed Amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State Mandate.

11) Time, Place, and Manner in which Interested Persons May Comment on this Rulemaking: Interested persons may present their comments concerning these rules by writing to:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

Ms. Gail M. DeVito
Division of Governmental Affairs
Illinois Department of Public Health
535 West Jefferson, Fifth Floor
Springfield, Illinois 62761
(217) 782-6187

within 45 days after this issue of the *Illinois Register*.

These rules may have an impact on small business. In accordance with Sections 1-75 and 5-30 of the Illinois Administrative Procedure Act, any small business may present its comments in writing to Gail M. DeVito at the above address.

Any small business (as defined in Section 1-75 of the Illinois Administrative Procedure Act) commenting on these rules shall indicate its status as such, in writing, in its comments.

12) Initial Regulatory Flexibility Analysis:

A) Type of Small Businesses, Small Municipalities and Not-for-Profit Corporations Affected: long-term care facilities

B) Reporting, Bookkeeping or Other Procedures Required for Compliance: none

C) Types of Professional Skills Necessary for Compliance: none

13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent regulatory agendas because: This rulemaking implements legislation that became effective after the publication of the Department's most recent regulatory agenda.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER C: LONG-TERM CARE FACILITIES

PART 300

SKILLED NURSING AND INTERMEDIATE CARE FACILITIES CODE

SUBPART A: GENERAL PROVISIONS

Section	
300.110	General Requirements
300.120	Application for License
300.130	Licensee
300.140	Issuance of an Initial License for a New Facility
300.150	Issuance of an Initial License Due to a Change of Ownership
300.160	Issuance of a Renewal License
300.165	Criteria for Adverse Licensure Actions
300.170	Denial of Initial License
300.175	Denial of Renewal of License
300.180	Revocation of License
300.190	Experimental Program Conflicting With Requirements
300.200	Inspections, Surveys, Evaluations and Consultation
300.210	Filing an Annual Attested Financial Statement
300.220	Information to Be Made Available to the Public By the Department
300.230	Information to Be Made Available to the Public By the Licensee
300.240	Municipal Licensing
300.250	Ownership Disclosure
300.260	Issuance of Conditional Licenses
300.270	Monitor and Receivership
300.271	Presentation of Findings
300.272	Determination to Issue a Notice of Violation or Administrative Warning
300.274	Determination of the Level of a Violation
300.276	Notice of Violation
300.277	Administrative Warning
300.278	Plans of Correction
300.280	Reports of Correction
300.282	Conditions for Assessment of Penalties
300.284	Calculation of Penalties
300.286	Determination to Assess Penalties
300.288	Reduction or Waiver of Penalties
300.290	Quarterly List of Violators
300.300	Alcoholism Treatment Programs In Long-Term Care Facilities
300.310	Department May Survey Facilities Formerly Licensed
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Codes and Standards
Preparation of Drawings and Specifications
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Dining, Living, Activities Rooms
Therapy and Personal Care
Service Departments
General Building Requirements
Structural
Mechanical Systems
Plumbing Systems
Electrical Systems

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Codes and Standards
Preparation of Drawings and Specifications

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Site
Administration and Public Areas
Nursing Unit
Living, Dining, Activities Rooms
Treatment and Personal Care
Service Departments
General Building Requirements
Structural
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Medical and Personal Care Program
Restraints
Abuse and Neglect
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Residents' Advisory Council
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Private Right of Action
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TABLE C Construction Types and Sprinkler Requirements for Existing Skilled Nursing Facilities/Intermediate Care Facilities

TABLE D Disaster Preparedness Parameters - Relative Humidity and Temperature

AUTHORITY: Implementing and authorized by the Nursing Home Care Act [210 ILCS 45].

SOURCE: Emergency rules adopted at 4 Ill. Reg. 10, p. 1066, effective March 1, 1980, for a maximum of 150 days; adopted at 4 Ill. Reg. 30, p. 311, effective July 28, 1980; emergency amendment at 6 Ill. Reg. 3229, effective March 8, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 5981, effective May 3, 1982; amended at 6 Ill. Reg. 6454, effective May 14, 1982; amended at 6 Ill. Reg. 8198, effective June 29, 1982; amended at 6 Ill. Reg. 11631, effective September 14, 1982; amended at 6 Ill. Reg. 14550 and 14554, effective November 8, 1982; amended at 6 Ill. Reg. 14684, effective November 15, 1982; amended at 7 Ill. Reg. 285, effective December 22, 1982; amended at 7 Ill. Reg. 1972, effective January 28, 1983; amended at 7 Ill. Reg. 8579, effective July 11, 1983; amended at 7 Ill. Reg. 15831, effective November 10, 1983; amended at 7 Ill. Reg. 15864, effective November 15, 1983; amended at 7 Ill. Reg. 16992, effective December 14, 1983; amended at 8 Ill. Reg. 15599, 15603, and 15606, effective August 15, 1984; amended at 8 Ill. Reg. 15947, effective August 17,

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1984; amended at 8 Ill. Reg. 16999, effective September 5, 1984; codified at 8 Ill. Reg. 19766; amended at 8 Ill. Reg. 24186, effective November 29, 1984; amended at 8 Ill. Reg. 24668, effective December 7, 1984; amended at 8 Ill. Reg. 25102, effective December 14, 1984; amended at 9 Ill. Reg. 132, effective December 26, 1984; amended at 9 Ill. Reg. 4087, effective March 15, 1985; amended at 9 Ill. Reg. 11049, effective July 1, 1985; amended at 11 Ill. Reg. 16927, effective October 1, 1987; amended at 12 Ill. Reg. 1052, effective December 24, 1987; amended at 12 Ill. Reg. 16811, effective October 1, 1988; emergency amendment at 12 Ill. Reg. 18477, effective October 24, 1988, for a maximum of 150 days; emergency expired March 23, 1989; amended at 13 Ill. Reg. 4684, effective March 24, 1989; amended at 13 Ill. Reg. 5134, effective April 1, 1989; amended at 13 Ill. Reg. 20089, effective December 1, 1989; amended at 14 Ill. Reg. 14950, effective October 1, 1990; amended at 15 Ill. Reg. 554, effective January 1, 1991; amended at 16 Ill. Reg. 681, effective January 1, 1992; amended at 16 Ill. Reg. 5977, effective March 27, 1992; amended at 16 Ill. Reg. 17089, effective November 3, 1992; emergency amendment at 17 Ill. Reg. 2420, effective February 3, 1993, for a maximum of 150 days; emergency expired on July 3, 1993; emergency amendment at 17 Ill. Reg. 8026, effective May 6, 1993, for a maximum of 150 days; emergency expired on October 3, 1993; amended at 17 Ill. Reg. 15106, effective September 3, 1993; amended at 17 Ill. Reg. 16194, effective January 1, 1994; amended at 17 Ill. Reg. 19279, effective October 26, 1993; amended at 17 Ill. Reg. 19604, effective November 4, 1993; amended at 17 Ill. Reg. 21058, effective November 20, 1993; amended at 18 Ill. Reg. 1491, effective January 14, 1994; amended at 18 Ill. Reg. 15868, effective October 15, 1994; amended at 19 Ill. Reg. 11600, effective July 29, 1995; emergency amendment at 20 Ill. Reg. 567, effective January 1, 1996, for a maximum of 150 days; emergency expired May 29, 1996; amended at 20 Ill. Reg. 10142, effective July 15, 1996; amended at 20 Ill. Reg. 12208, effective September 10, 1996; amended at 21 Ill. Reg. _____, effective _____.

SUBPART C: POLICIES

Section 300.615 Determination of Need Screening

- a) For the purpose of this Section only, a nursing facility is any bed licensed as a skilled nursing or intermediate care facility bed, or a location certified to participate in the Medicare program under Title XVIII of the Social Security Act or Medicaid program under Title XIX of the Social Security Act.
- b) All persons seeking admission to a nursing facility must be screened to determine the need for nursing facility services prior to being admitted, regardless of income, assets, or funding source. (Section 2-201.5 of the Act) A screening assessment is not required provided one of the conditions in Section 140.642(c) of the Department of Public Aid's rules entitled "Medical Payment" (89 Ill. Adm. Code 140.642(c)) is met.

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- c) Any person who seeks to become eligible for medical assistance from the Medical Assistance program under the Illinois Public Aid Code to pay for long-term care services while residing in a facility shall be screened in accordance with 89 Ill. Adm. Code 140.642(b)(4). (Section 2-201.5 of the Act)
- d) Screening shall be administered through procedures established by administrative rule by the agency responsible for screening. (Section 2-201.5 of the Act) The Illinois Department on Aging is responsible for the screening required in subsection (b) of this Section for individuals 60 years of age or older who are not developmentally disabled or do not have a severe mental illness. The Illinois Department of Rehabilitation Services is responsible for the screening required in subsection (b) of this Section for individuals 18 through 59 years of age who are not developmentally disabled and do not have a severe mental illness. The Department of Mental Health and Developmental Disabilities is responsible for the screening required in subsection (b) of this Section for individuals with developmental disabilities and a severe mental illness. The Illinois Department of Public Aid or its designee is responsible for the screening required in subsection (c) of this Section.

(Source: Added at 21 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Alternative Loan Program
- 2) Code Citation: 23 Ill. Adm. Code 2721
- 3) Section Numbers:
 2721.10 Repealed
 2721.20 Repealed
 2721.30 Repealed
 2721.40 Repealed
 2721.50 Repealed
 2721.60 Repealed
 2721.70 Repealed
- 4) Statutory Authority: Implementing Sections 5 and 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/5 and 80 through 175] and authorized by Sections 20(f) and 140(a) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 140(a)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Eligibility Section within the Part. Specifically, for the Alternative Loan Program, the definitions previously contained in Section 2721.20 are being moved to General Provisions, at 23 Ill. Adm. Code 2700.20, Definitions. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No

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- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this Part in this issue of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION
PART 2721

ALTERNATIVE LOAN PROGRAM (REPEALED)

Section	
2721.10	Summary and Purpose
2721.20	Definitions
2721.30	Borrower Eligibility
2721.40	Institutional Eligibility
2721.50	Program Procedures
2721.60	Procedures for Disbursement and Repayment
2721.70	Fees

AUTHORITY: Implementing Sections 5 and 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/5 and 80 through 175] and authorized by Sections 20(f) and 140(a) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 140(a)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 8066, effective June 1, 1996, for a maximum of 150 days; emergency expired on October 28, 1996; adopted at 20 Ill. Reg. 15061, effective November 4, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2721.10 Summary and Purpose

- a) In order to make postsecondary educational opportunities more accessible for qualified students, ISAC offers a program of Alternative Loans to supplement existing federal and State student financial assistance programs.
- b) This Part establishes the rules which govern Alternative Loans made or administered by ISAC. Additional rules and definitions are contained in General Provisions, at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.20 Definitions

"Alternative Loan" - Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), or any other federal statute providing for federal insurance of educational loans to borrowers.

"Co-signer" - A person who is secondarily liable for the repayment of

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an Alternative Loan.

"Holder" - An organization authorized by ISAC to purchase or retain possession of an educational loan(s). ISAC's Illinois Designated Account Purchase Program (IDAPP) may serve as a Holder.

"Lender" - An organization authorized by ISAC to originate an educational loan(s). ISAC's Illinois Designated Account Purchase Program (IDAPP) may serve as a Lender.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.30 Borrower Eligibility

a) A borrower for an Alternative Loan must be a student, or a parent or legal guardian of such a student, who is:

- 1) Enrolled, or accepted for enrollment, at an ISAC-approved Institution which has certified the Applicant as eligible for an Alternative Loan;
- 2) Enrolled on at least a half-time basis, unless the student is employed full-time while s/he is in school, in which case s/he may receive a loan while Enrolled less than half-time;
- 3) in good standing in accordance with the Institution's policy of Satisfactory Academic Progress; and
- 4) a Citizen or Eligible Noncitizen of the United States.

b) The borrower, or Co-signer if applicable, must be determined to be credit-worthy. In determining credit-worthiness, the Lender shall consider information including, but not limited to, the following: debt-to-income ratio, payment histories, prior loan defaults, unsatisfied court judgments, real estate foreclosures, unsatisfied collection accounts, write-offs or reposessions.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.40 Institutional Eligibility

a) Institutions must have executed Program Participation Agreements with ED and with ISAC in order to participate in ISAC-administered Alternative Loan Programs.

b) Institutions must demonstrate administrative capability and financial responsibility, as defined by Federal Regulations (see, e.g., 34 CFR 668.15 and 668.16), in order to begin and to continue participation in ISAC-administered Alternative Loan Programs.

c) Eligible Institutions may not have federal cohort default rates, calculated and announced by ED for the three most recent fiscal years, in excess of the rates annually established and publicized as acceptable by ISAC.

d) Institutions shall be subject to the audit and investigation

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conditions outlined in General Provisions, at 23 Ill. Adm. Code 2700.60.

e) Institutions not maintaining the standards of administrative capability or financial responsibility demonstrated in their original application for participation, or required by Federal Regulations, may be subject to administrative Limitation, Suspension or Termination Proceedings. (See 23 Ill. Adm. Code 2790.)

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.50 Program Procedures

a) An applicant may apply for an Alternative Loan by submitting an Application and Promissory Note approved by ISAC.

b) The maximum loan amount may not exceed the cost of education for that student at the Institution, less any other student financial assistance received by the student for that loan period.

c) The Institution shall provide the Lender with a recommended loan amount for each loan. No Alternative Loan may exceed the Institution's recommended amount.

d) Institutions shall provide the Lender with the current enrollment status of students at that Institution who have received Alternative Loans.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.60 Procedures for Disbursement and Repayment

a) Prior to disbursement, the borrower, and Co-signer if applicable, shall execute a completed Application and Promissory Note for the loan.

b) The Lender or Holder shall retain a signed original of the Application and Promissory Note until the debt is paid in full.

c) Alternative Loan proceeds shall be transmitted directly to the Institution on behalf of the student. Disbursement may be in the form of an individual check, a master check representing the loan proceeds for more than one student at that Institution, or by electronic funds transfer.

d) An Institution may require all individual loan checks to be made co-payable to the borrower and the Institution.

e) The Institution shall supply the Lender with recommended disbursement date(s) and amount(s) for each loan.

f) Prior to initial disbursement of the loan, the Lender shall provide the borrower with a disclosure statement which itemizes the amount financed, the interest rate and any corresponding fees.

g) The terms and conditions set forth in the Application and Promissory Note and the disclosure statement will constitute the entire agreement between the Lender and the borrower.

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NOTICE OF PROPOSED REPEALER

- h) The borrower(s) shall have the right to prepay all or part of an Alternative Loan at any time without penalty.
- i) The Lender or Holder shall notify the borrower of the date on which repayment begins, and such notice shall be sent no later than 30 days before the first payment on the loan is due from the borrower.
- j) No Alternative Loan shall be sold or transferred by a Lender except to an ISAC-approved Lender or Holder, or to ISAC. Such sale shall not change the party to whom payment is made on the loan.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

Section 2721.70 Fees

- a) The Lender may charge the borrower an insurance premium on each Alternative Loan, and may deduct this amount from the loan proceeds at the time of disbursement. The amount of the insurance premium may vary according to the credit-worthiness of the borrower, and Co-signer if applicable, and will be disclosed in writing to the borrower prior to the initial disbursement of loan proceeds.
- b) The Lender may charge the borrower a repayment fee on each Alternative Loan. This fee may be assessed on the loan balance, according to the terms specified in the Application and Promissory Note. The amount of the repayment fee will be added to the outstanding balance of the loan.
- c) The Lender may charge the borrower a late fee of up to 5% of the loan balance (principal plus all capitalized interest and fees), if any part of an installment payment is not received by the Lender within 60 days after it becomes due. Additional late charges of up to 5% of the loan balance may be charged for each additional 30 day period if the borrower fails to make any part of an installment payment.

(Source: Adopted at 20 Ill. Reg. 15061, effective November 4, 1996)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Alternative Loan Program
- 2) Code Citation: 23 Ill. Adm. Code 2721
- 3) Section Numbers: Proposed Action:
 2721.10 New
 2721.20 New
 2721.30 New
 2721.40 New
- 4) Statutory Authority: Implementing Sections 5 and 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/5 and 80 through 175] and authorized by Sections 20(f) and 140(a) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 140(a)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

Toward this end, ISAC is proposing several format changes to the rules for this program. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost

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and complexity of program administration.

No substantive changes have been made to this program. However, due to the number of formatting changes involved in implementing the new codification scheme, the previous Part is being repealed and entirely new rules are being proposed.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2721
ALTERNATIVE LOAN PROGRAM

Section	Summary and Purpose
2721.10	Borrower Eligibility
2721.20	Program Procedures
2721.30	Institutional Procedures
2721.40	

AUTHORITY: Implementing Sections 5 and 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/5 and 80 through 175] and authorized by Sections 20(f) and 140(a) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 140(a)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 8066, effective June 1, 1996, for a maximum of 150 days; emergency expired October 28, 1996; adopted at 20 Ill. Reg. 15061, effective November 4, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2721.10 Summary and Purpose

- a) In order to make postsecondary educational opportunities more accessible for qualified students, ISAC offers a program of alternative loans to supplement existing federal and State student financial assistance programs.
- b) This Part establishes the rules which govern alternative loans made or administered by ISAC. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2721.20 Borrower Eligibility

- a) A borrower for an alternative loan must be a student, parent or legal guardian of such a student who is:
- 1) enrolled, or accepted for enrollment, at an ISAC-approved institution which has certified the applicant as eligible for an alternative loan;
 - 2) enrolled on at least a half-time basis, unless the student is employed full-time while s/he is in school, in which case s/he may receive a loan while enrolled less than half-time;
 - 3) in good standing in accordance with the institution's policy of satisfactory academic progress; and
 - 4) a citizen or eligible noncitizen of the United States.
- b) The borrower, or co-signer if applicable, must be determined to be

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credit-worthy. In determining credit-worthiness, the lender shall consider information including, but not limited to, the following: debt-to-income ratio, payment histories, prior loan defaults, unsatisfied court judgments, real estate foreclosures, unsatisfied collection accounts, write-offs or repossessions.

Section 2721.30 Program Procedures

- a) An applicant may apply for an alternative loan by submitting an Application and Promissory Note approved by ISAC.
- b) The maximum loan amount may not exceed the cost of education for that student at the institution, less any other student financial assistance received by the student for that loan period.
- c) The institution shall provide the lender with a recommended loan amount for each loan. No alternative loan may exceed the institution's recommended amount.
- d) Institutions shall provide the lender with the current enrollment status of students at that institution who have received alternative loans.
- e) Prior to disbursement, the borrower, and co-signer if applicable, shall execute a completed Application and Promissory Note for the loan.
- f) The lender or holder shall retain a signed original of the Application and Promissory Note until the debt is paid in full.
- g) Alternative loan proceeds shall be transmitted directly to the institution on behalf of the student. Disbursement may be in the form of an individual check, a master check or by electronic funds transfer.
- h) An institution may require all individual loan checks to be made co-payable to the borrower and the institution.
- i) The institution shall supply the lender with recommended disbursement date(s) and amount(s) for each loan.
- j) Prior to initial disbursement of the loan, the lender shall provide the borrower with a disclosure statement which itemizes the amount financed, the interest rate and any corresponding fees.
- k) The terms and conditions set forth in the Application and Promissory Note and the disclosure statement will constitute the entire agreement between the lender and the borrower.
- l) The borrower(s) shall have the right to prepay all or part of an alternative loan at any time without penalty.
- m) The lender or holder shall notify the borrower of the date on which repayment begins, and such notice shall be sent no later than 30 days before the first payment on the loan is due from the borrower.
- n) No alternative loan shall be sold or transferred by a lender except to an ISAC-approved lender or holder or to ISAC. Such sale shall not change the party to whom payment is made on the loan.
- o) The lender may charge the borrower an insurance premium on each alternative loan and may deduct this amount from the loan proceeds at

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the time of disbursement. The amount of the insurance premium may vary according to the credit-worthiness of the borrower, and co-signer if applicable, and will be disclosed in writing to the borrower prior to the initial disbursement of loan proceeds.

- p) The lender may charge the borrower a repayment fee on each alternative loan. This fee may be assessed on the loan balance according to the terms specified in the Application and Promissory Note. The amount of the repayment fee will be added to the outstanding balance of the loan.
- q) The lender may charge the borrower a late fee of up to 5% of the loan balance (principal plus all capitalized interest and fees) if any part of an installment payment is not received by the lender within 60 days after it becomes due. Additional late charges of up to 5% of the loan balance may be charged for each additional 30 day period if the borrower fails to make any part of an installment payment.

Section 2721.40 Institutional Procedures

- a) Institutions must have executed Program Participation Agreements with ED and with ISAC in order to participate in ISAC-administered Alternative Loan Programs.
- b) Institutions must demonstrate administrative capability and financial responsibility, as defined by federal regulations (see, e.g., 34 CFR 668.15 and 668.16), in order to begin and to continue participation in ISAC-administered Alternative Loan Programs.
- c) Eligible institutions may not have federal cohort default rates, calculated and announced by ED for the three most recent fiscal years, in excess of the rates annually established and publicized as acceptable by ISAC.
- d) Institutions shall be subject to the audit and investigation conditions outlined in Audits and Investigations, 23 Ill. Adm. Code 2700.60.
- e) Institutions not maintaining the standards of administrative capability or financial responsibility demonstrated in their original application for participation, or required by federal regulations, may be subject to administrative Limitation, Suspension or Termination Proceedings. (See 23 Ill. Adm. Code 2790.)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: College Savings Bond Bonus Incentive Grant (BIG) Program
- 2) Code Citation: 23 Ill. Adm. Code 2771

Section Numbers:	Proposed Action:
2771.10	Repealed
2771.20	Repealed
2771.30	Repealed
2771.Appendix A	Repealed

- 4) Statutory Authority: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.x.10 Summary and Purpose, Section xxx.x.20 Applicant Eligibility, Section xxx.x.30 Program Procedures, and Section xxx.x.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this Part in this issue of the *Illinois Register*.

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- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2771

COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM (REPEALED)

Section 2771.10	Summary and Purpose
2771.20	Definitions
2771.30	Program Procedures
APPENDIX A	Table of Grant Amounts

AUTHORITY: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8] and by Section 75 of the Higher Education Student Assistance Act [110 ILCS 947/75].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15800, effective October 21, 1991, for a maximum of 150 days; emergency expired March 19, 1992; adopted at 16 Ill. Reg. 6873, effective April 14, 1992; amended at 18 Ill. Reg. 10246, effective July 1, 1994; amended at 19 Ill. Reg. 8312, effective July 1, 1995; amended at 20 Ill. Reg. 9136, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2771.10 Summary and Purpose

- The Baccalaureate Savings Act [110 ILCS 920/8] authorizes the sale of Illinois College Savings Bonds and provides for a grant program as an additional financial incentive to encourage the use of proceeds from matured bonds at Illinois colleges or universities.
- This Part establishes Rules which govern the Bonus Incentive Grant (BIG) Program. Additional Rules and definitions are contained in the General Provisions, at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.
- The purpose of this Part is to establish the conditions and procedures for a Qualified Bond Holder to designate a Student Beneficiary as the recipient of a Bonus Incentive Grant and to outline the process by which a Student Beneficiary applies for and obtains this grant.

(Source: Amended at 20 Ill. Reg. 9136, effective July 1, 1996)

Section 2771.20 Definitions

"College Savings Bond" - A State of Illinois General Obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings plan.

"Compound Accreted Value" - An amount equal to the original amount

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plus an investment return accrued to the date of determination at a semiannual compounding rate which is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the bonds were sold. The "Compound Accreted Value at Maturity" will be equal to \$5,000 or an integral multiple thereof.

"Education Expenses" - Costs incident to enrollment which may reasonably be incurred during an Academic Year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to the Student Beneficiary's attendance at the Eligible Institution. These do not include costs incurred in an academic program of divinity for any religious denomination or in a course of study to become a minister, priest, rabbi or other professional person in the field of religion.

"Eligible Institutions" - Those Institutions which are eligible to participate in the Monetary Award Program (MAP) (see 23 Ill. Adm. Code 2735.60, Institutional Eligibility); but do not include any educational institutions organized solely for the purpose of religious instruction.

"Qualified Bond Holder" - A holder of a College Savings Bond who uses at least 70 percent of the amount redeemed at maturity to finance Educational Expenses incurred by a designated Student Beneficiary at an Eligible Institution. A Qualified Bond Holder may designate one Student Beneficiary for each bond redeemed. In cases where two individuals jointly own a College Savings Bond, only one Student Beneficiary may be designated. To be designated a "Qualified Bond Holder" under this Part, the individual must furnish documentation demonstrating that he or she has continuously owned the bond(s) for at least the 12 months preceding the date of maturity or, in the event of a bond(s) with an original maturity of less than 12 months, for at least the six months preceding the date of maturity. However, if the bond(s) were acquired during the 12-month period, or six-month period as appropriate, by gift or under the laws of descent and distribution, such holder shall be deemed a Qualified Bond Holder.

"Student Beneficiary" - An individual designated by a Qualified Bond Holder as the recipient of a grant pursuant to this Part and as the beneficiary of at least 70 percent of the bond proceeds paid at maturity. For purposes of this Part, an Applicant may not be designated as the beneficiary of more than \$25,000 worth of bond proceeds in any single academic year.

(Source: Amended at 19 Ill. Reg. 8312, effective July 1, 1995)

Section 2771.30 Program Procedures

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a) Application Procedures

- 1) Applications for a Bonus Incentive Grant (BIG) shall be available from the Illinois Student Assistance Commission (ISAC) and Eligible Institutions.
- 2) A complete application for BIG assistance shall include certifications from: the Qualified Bond Holder(s), the Student Beneficiary and the Registrar of the Eligible Institution at which the Student Beneficiary is Enrolled on at least a half-time basis.
- 3) A Qualified Bond Holder or a Student Beneficiary may submit a BIG application at any time between August 1 and May 30 for a grant spanning that same Academic Year. All grants under this program are subject to sufficient annual appropriations for this program by the General Assembly.
- 4) ISAC may require applicants to provide documentation verifying that the Qualified Bond Holder owned the bonds for the requisite length of time.

b) Application certifications

- 1) The Qualified Bond Holder(s) shall certify the following for the academic year in which the application is being submitted:
 - A) that the aggregate Compound Accreted Value at maturity of the College Savings Bond(s) was not more than \$25,000;
 - B) that at least 70 percent of the proceeds of the College Savings Bond(s) have been or will be used for Educational Expenses incurred by the Student Beneficiary;
 - C) the name of the Student Beneficiary;
 - D) that no other student has been designated as the Student Beneficiary for the same College Savings Bond; and
 - E) the date on which the bond(s) were issued, the date on which the bond(s) were acquired and the date on which the bond(s) matured.

2) The Student Beneficiaries shall certify the following:

- A) that their address, Social Security Number and other identifying information is accurate;
- B) that the Qualified Bond Holder has provided financial assistance, in the amount indicated on the application, for Educational Expenses incurred at an Eligible Institution;
- C) that they are enrolled in an academic program that is eligible for BIG assistance; and
- D) that they will use their BIG proceeds to finance Educational Expenses.

3) The Registrar at the Eligible Institution shall certify the enrollment status of Student Beneficiaries.

- c) BIG proceeds will be paid to Eligible Institutions; however, they may be remitted directly to the Student Beneficiary if the Eligible Institution designates ISAC as its disbursing agent for this purpose.
- d) The dollar value of the BIG shall be determined according to the Table of Grant Amounts (see Appendix A of this Part); provided, however,

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that:

- 1) the Compound Accreted Value of the bonds shall not exceed \$25,000 in any given academic year;
Example: A BIG could not be claimed for more than 5 bonds of \$5,000 Compound Accreted Value each in any given year. Even if 12 bonds of \$5,000 Compound Accreted Value each, or \$60,000 total, had been purchased on behalf of a beneficiary, a BIG could be paid only for the first \$25,000.
- 2) 70 percent of the Compound Accreted Value of the bonds for which a BIG is being claimed in a given Academic Year does not exceed the beneficiary's cost of attendance at an Eligible Institution for that year.
Example: The beneficiary's cost of attending University A is \$14,000. Since \$14,000 is 70 percent of \$20,000, a BIG could not be claimed for bonds with a Compound Accreted Value in excess of \$20,000. Even if 5 bonds of \$5,000 Compound Accreted Value each, or \$25,000 total, had been purchased on behalf of the beneficiary, in this case a BIG could be paid only on the first \$20,000.
- e) Both the proceeds of the bond(s) and the BIG assistance must be used by the Student Beneficiary in the Academic Year in which the bond was redeemed or in the Academic Year immediately following redemption.
- f) Applicants may request that their eligibility for ISAC Gift Assistance be recalculated to exclude up to \$25,000 in accumulated bonds and interest, pursuant to ISAC Appeal Procedures (see 23 Ill. Adm. Code 2700.70). Recalculations will only be performed for those students who complete the required federal needs analysis process.

(Source: Amended at 19 Ill. Reg. 8312, effective July 1, 1995)

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Section 2771.APPENDIX A Table of Grant Amounts

GRANT AMOUNT PER \$5000 COMPOUND
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	1/88 Bond Sale	10/88 Bond Sale	11/89 Bond Sale	11/90 Bond Sale	9/91 Bond Sale
1991	-	-	\$ 40	-	-
1992	-	-	\$ 60	\$ 40	-
1993	\$100	\$100	\$ 80	\$ 60	\$ 40
1994	\$120	\$120	\$100	\$ 80	\$ 60
1995	\$140	\$140	\$120	\$100	\$ 80
1996	\$160	\$160	\$140	\$120	\$100
1997	\$180	\$180	\$160	\$140	\$120
1998	\$200	\$200	\$180	\$160	\$140
1999	\$220	\$220	\$200	\$180	\$160
2000	\$240	\$240	\$220	\$200	\$180
2001	\$260	\$260	\$240	\$220	\$200
2002	\$280	\$280	\$260	\$240	\$220
2003	\$300	\$300	\$280	\$260	\$240
2004	\$320	\$320	\$300	\$280	\$260
2005	\$340	\$340	\$320	\$300	\$280
2006	\$360	\$360	\$340	\$320	\$300
2007	\$380	\$380	\$360	\$340	\$320
2008	\$400	\$400	\$380	\$360	\$340
2009	-	-	\$400	\$380	\$360

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2010	-	-	\$420	\$400	\$380
2011	-	-	-	\$420	\$400
2012	-	-	-	-	\$420

GRANT AMOUNT PER \$5000 COMPOUND
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	10/92 Bond Sale	10/93 Bond Sale	10/94 Bond Sale
1994	\$40	-	-
1995	\$60	\$40	\$15
1996	\$80	\$60	\$40
1997	\$100	\$80	\$60
1998	\$120	\$100	\$80
1999	\$140	\$120	\$100
2000	\$160	\$140	\$120
2001	\$180	\$160	\$140
2002	\$200	\$180	\$160
2003	\$220	\$200	\$180
2004	\$240	\$220	\$200
2005	\$260	\$240	\$220
2006	\$280	\$260	\$240
2007	\$300	\$280	\$260
2008	\$320	\$300	\$280
2009	\$340	\$320	\$300
2010	\$360	\$340	\$320
2011	\$380	\$360	\$340
2012	\$400	\$380	\$360
2013	\$420	\$400	\$380
2014	-	\$420	\$400
2015	-	\$440	\$420
2016	-	-	\$440

*If no grant amount is shown, there were no bonds sold at that maturity for that particular issue.

(Source: Amended at 20 Ill. Reg. 9136, effective July 1, 1996)

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NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: College Savings Bond Bonus Incentive Grant (BIG) Program

- 2) Code Citation: 23 Ill. Adm. Code 2771

- 3) Section Numbers: Proposed Action:

2771.10 New

2771.20 New

2771.30 New

2771.40 New

2771.Appendix A New

- 4) Statutory Authority: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [10 ILCS 920/8].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30, Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

No substantive changes have been made to this program. However, due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel

Illinois Student Assistance Commission

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2771

COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM

Section

2771.10 Summary and Purpose

2771.20 Eligibility

2771.30 Program Procedures

2771.40 Institutional Procedures

Appendix A Table of Grant Amounts

AUTHORITY: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15800, effective October 21, 1991, for a maximum of 150 days; emergency expired on March 19, 1992; adopted at 16 Ill. Reg. 6873, effective April 14, 1992; amended at 18 Ill. Reg. 10246, effective July 1, 1994; amended at 19 Ill. Reg. 8312, effective July 1, 1995; amended at 20 Ill. Reg. 9136, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2771.10 Summary and Purpose

- a) The Baccalaureate Savings Act [110 ILCS 920/8] authorizes the sale of Illinois college savings bonds and provides for a grant program as an additional financial incentive to encourage the use of proceeds from matured bonds at Illinois colleges or universities.
- b) This Part establishes rules which govern the Bonus Incentive Grant (BIG) Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.
- c) The purpose of this Part is to establish the conditions and procedures for a bond holder to designate a student beneficiary as the recipient of a Bonus Incentive Grant and to outline the process by which a student beneficiary applies for and obtains this grant.

Section 2771.20 Eligibility

- a) A bond holder shall:
 - 1) be able to furnish documentation which demonstrates that s/he has continuously owned the Illinois college savings bond(s) for at least the 12 months preceding the date of maturity or for an Illinois college savings bond(s) with an original maturity date of less than 12 months that s/he has owned the bond(s) for at least the six months preceding the date of maturity, unless the bond(s) were acquired by gift or under the laws of descent and

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distribution; and

2) use at least 70 percent of the bond proceeds for costs incident to enrollment which are reasonably incurred by the student beneficiary during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel, and other personal expenses related to attendance at the eligible institution of higher learning.

b) A student beneficiary shall:

- 1) be designated by a bond holder as the recipient of a grant pursuant to this Part;
- 2) be the beneficiary of at least 70 percent of the bond proceeds paid at maturity;
- 3) not be designated as the beneficiary of more than \$25,000 worth of bond proceeds in any single academic year; and
- 4) be enrolled on at least a half-time basis at an institution of higher learning which is not organized solely for the purpose of religious instruction.

Section 2771.30 Program Procedures

a) Application Procedures

- 1) Applications for a Bonus Incentive Grant (BIG) shall be available from the Illinois Student Assistance Commission (ISAC) and institutions of higher learning.
- 2) A complete application for BIG assistance shall include certifications from the bond holder(s), the student beneficiary and the Registrar of the institution of higher learning at which the student beneficiary is enrolled.
- 3) A bond holder or a student beneficiary may submit a BIG application at any time between August 1 and May 30 for a grant spanning that same academic year. All grants under this program are subject to sufficient annual appropriations for this program by the General Assembly.
- 4) ISAC may require applicants to provide documentation verifying that the bond holder owned the bonds for the requisite length of time.
- 5) One student beneficiary may be designated for each bond redeemed. In cases where two individuals jointly own a college savings bond, only one student beneficiary may be designated.

b) Application Certifications

- 1) The bond holder(s) shall certify the following for the academic year in which the application is being submitted:
 - A) that the aggregate compound accreted value at maturity of the college savings bond(s) was not more than \$25,000;
 - B) that at least 70 percent of the proceeds of the college savings bond(s) have been or will be used for costs incident to enrollment incurred by the student beneficiary during an academic year;

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- C) the name of the student beneficiary;
- D) that no other student has been designated as the student beneficiary for the same college savings bond; and
- E) the date on which the bond(s) were issued, the date on which the bond(s) were acquired and the date on which the bond(s) matured.

2) The student beneficiaries shall certify the following:

- A) that their address, social security number and other identifying information is accurate;
 - B) that the bond holder has provided financial assistance, in the amount indicated on the application;
 - C) that they are enrolled at an eligible institution of higher learning and in an academic program that is eligible for BIG assistance;
 - D) that they will use their BIG proceeds to finance costs incident to their enrollment which are reasonably incurred during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to attendance at the institution of higher learning; and
 - E) that they will not use their BIG proceeds to finance costs incurred in an academic program of divinity for any religious denomination or in a course of study to become a minister, priest, rabbi or other professional person in the field of religion.
- c) The dollar value of the BIG shall be determined according to the Table of Grant Amounts (see Appendix A of this Part); provided, however, that:
- 1) the compound accreted value of the bonds shall not exceed \$25,000 in any given academic year;
 Example: A BIG could not be claimed for more than 5 bonds of \$5,000 compound accreted value each in any given year. Even if 12 bonds of \$5,000 compound accreted value each, or \$60,000 total, had been purchased on behalf of a beneficiary, a BIG could be paid only for the first \$25,000. 70 percent of the compound accreted value of the bonds for which a BIG is being claimed in a given academic year does not exceed the beneficiary's cost of attendance at the institution of higher learning for that year.
 Example: The beneficiary's cost of attending University A is \$14,000. Since \$14,000 is 70 percent of \$20,000, a BIG could not be claimed for bonds with a compound accreted value in excess of \$20,000. Even if 5 bonds of \$5,000 compound accreted value each, or \$25,000 total, had been purchased on behalf of the beneficiary, in this case a BIG could be paid only on the first \$20,000.
 - 2) Both the proceeds of the bond(s) and the BIG assistance must be used by the student beneficiary in the academic year in which the bond was

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- redeemed or in the academic year immediately following redemption.
- e) Applicants may request that their eligibility for ISAC gift assistance be recalculated to exclude up to \$25,000 in accumulated bonds and interest, pursuant to ISAC Appeal Procedures (see 23 Ill. Adm. Code 2700.70). Recalculations will only be performed for those students who complete the required federal needs analysis process.

Section 2771.40 Institutional Procedures

- a) The institution shall certify that the student beneficiary is enrolled at least half time.
- b) BIG proceeds will be paid to institutions of record; however, proceeds may be remitted directly to the student beneficiary if the institution designates ISAC as its disbursing agent for this purpose.

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Section 2771.APPENDIX A - Table of Grant Amounts

GRANT AMOUNT PER \$5000 COMPOUND
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	1/88 Bond Sale	10/88 Bond Sale	11/89 Bond Sale	11/90 Bond Sale	9/91 Bond Sale
1991	-	-	\$ 40	-	-
1992	-	-	\$ 60	\$ 40	-
1993	\$100	\$100	\$ 80	\$ 60	\$ 40
1994	\$120	\$120	\$100	\$ 80	\$ 60
1995	\$140	\$140	\$120	\$100	\$ 80
1996	\$160	\$160	\$140	\$120	\$100
1997	\$180	\$180	\$160	\$140	\$120
1998	\$200	\$200	\$180	\$160	\$140
1999	\$220	\$220	\$200	\$180	\$160
2000	\$240	\$240	\$220	\$200	\$180
2001	\$260	\$260	\$240	\$220	\$200
2002	\$280	\$280	\$260	\$240	\$220
2003	\$300	\$300	\$280	\$260	\$240
2004	\$320	\$320	\$300	\$280	\$260
2005	\$340	\$340	\$320	\$300	\$280
2006	\$360	\$360	\$340	\$320	\$300
2007	\$380	\$380	\$360	\$340	\$320
2008	\$400	\$400	\$380	\$360	\$340
2009	-	-	\$400	\$380	\$360
2010	-	-	\$420	\$400	\$380
2011	-	-	-	\$420	\$400
2012	-	-	-	-	\$420

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GRANT AMOUNT PER \$5000 COMPOUND
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	10/92 Bond Sale	10/93 Bond Sale	10/94
1994	-\$40	-	-
1995	\$60	\$40	\$15
1996	\$80	\$60	\$40
1997	\$100	\$80	\$60
1998	\$120	\$100	\$80
1999	\$140	\$120	\$100
2000	\$160	\$140	\$120
2001	\$180	\$160	\$140
2002	\$200	\$180	\$160
2003	\$220	\$200	\$180
2004	\$240	\$220	\$200
2005	\$260	\$240	\$220
2006	\$280	\$260	\$240
2007	\$300	\$280	\$260
2008	\$320	\$300	\$280
2009	\$340	\$320	\$300
2010	\$360	\$340	\$320
2011	\$380	\$360	\$340
2012	\$400	\$380	\$360
2013	\$420	\$400	\$380
2014	-	\$420	\$400
2015	-	\$440	\$420
2016	-	-	\$440

* If no grant amount is shown, there were no bonds sold at that maturity for that particular issue.

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NOTICE OF PROPOSED REPEALER

1) Heading of the Part: David A. Deboit Teacher Shortage Scholarship Program

2) Code Citation: 23 Ill. Adm. Code 2764

3) Section numbers: Proposed Action:

2764.10 Repealed

2764.20 Repealed

2764.30 Repealed

2764.40 Repealed

2764.50 Repealed

4) Statutory Authority: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note,

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however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartinezisc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2764

DAVID A. DEBOLT TEACHER SHORTAGE SCHOLARSHIP PROGRAM (REPEALED)

Section	Summary and Purpose
2764.10	Definitions
2764.20	DeBolt Scholar Eligibility
2764.30	Program Procedures
2764.40	Institutional Procedures
2764.50	

AUTHORITY: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 976, effective February 1, 1995, for a maximum of 150 days; emergency expired June 30, 1995; adopted at 19 Ill. Reg. 11367, effective August 1, 1995; amended at 20 Ill. Reg. 9141, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2764.10 Summary and Purpose

- The David A. DeBolt Teacher Shortage Scholarship encourages academically talented students to pursue careers as public preschool, elementary and secondary school teachers in disciplines that have been designated as Teacher Shortage Disciplines in the State of Illinois with a priority given to Minority Students.
- This Part establishes the rules which govern the David A. DeBolt Teacher Shortage Scholarship Program. Additional rules and definitions are contained in General Provisions, at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

Section 2764.20 Definitions

"Cost of Attendance" - defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711).

"Cumulative Grade Point Average" - The average grade earned throughout a student's postsecondary educational program. The calculation shall be consistent with the Institution's established policy or practice and shall be the same as that which is used for admission, placement, or other similar purposes.

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"DeBolt Scholar" - An individual who receives scholarship assistance under this Part.

"Expected Family Contribution" - For the purposes of this Part, the Expected Family Contribution shall be the amount determined pursuant to Title IV, Part F of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk et seq.).

"Minority Student" - For the purposes of this Part, is defined at 23 Ill. Adm. Code 2763.20, Minority Teachers of Illinois (MTI) Scholarship Program, Definitions, "Minority Student".

"Qualified Applicant" - An Applicant who meets the requirements of Section 2764.30, DeBolt Scholar Eligibility.

"Renewal Applicant" - An Applicant who was a DeBolt Scholar during any Term of the prior Academic Year and who maintains eligibility in accordance with Section 2764.40(d) of this Part.

"Teacher Education Program" - A postsecondary course of study which, upon completion, qualifies a student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education (ISBE). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a Teacher Education Program.

"Teacher Shortage Discipline" - An academic discipline in which a shortage of teachers exists in Illinois, as designated by the ISBE.

Section 2764.30 DeBolt Scholar Eligibility

a) A completed application must be received in ISAC's Deerfield office on or before May 1 immediately preceding the Academic Year for which the scholarship is being requested, in order to receive priority consideration.

b) In addition to submitting an application on a timely basis, a Qualified Applicant must be:

- 1) a United States Citizen or an Eligible Noncitizen;
- 2) a Resident of Illinois;
- 3) a high school graduate or a person who has received a General Educational Development Certificate (GED); and
- 4) Enrolled, or accepted for enrollment, on at least a half-time basis at the sophomore level or above in a Teacher Education Program at an eligible Illinois public or private university or college and intending to seek initial certification in a Teacher Shortage Discipline.

c) Applicants will be notified if they are not Qualified Applicants.

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Such an Applicant may appeal a finding of ineligibility in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.

d) All Applicants must complete the form which the U.S. Department of Education designates as an application for federal student financial aid to determine the expected family contribution (EFC) because the EFC will be used as part of the selection criteria for the purpose of determining eligibility for the DeBolt Teacher Shortage Scholarship.

e) If the student section of an application is incomplete, notice will be sent to the Applicant. The Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.

f) Prior to receiving scholarship assistance for any Academic Year, the Qualified Applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following:

- 1) a pledge on the part of the DeBolt Scholar to teach for one year for each year of scholarship aid received in the Teacher Shortage Discipline for which the recipient applied, or any portion of a year for which aid was received, under this Part;
 - 2) a stipulation that such teaching requirement will be fulfilled within the five-year period following termination of the postsecondary education degree or certificate program for which the scholarship was awarded;
 - 3) a stipulation that such teaching requirement will be fulfilled at an Illinois public preschool, elementary or secondary school;
 - 4) a stipulation that, if the teaching requirement is not fulfilled, the scholarship converts to a loan and the DeBolt Scholar must repay the entire amount of the scholarship(s) prorated to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to student loans under the Federal Family Education Loan Program and, if applicable, reasonable collection fees; and
 - 5) a further stipulation that the DeBolt Scholar agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- g) A DeBolt Scholar shall not be in violation of the teaching agreement, and thus shall not be required to commence repayment as set forth in subsection (f) of this Section, if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed services;
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is seeking and unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (f)(3) of this Section, and is able to provide evidence of that fact; or
 - 4) withdraws from a course of study leading to a teacher

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- certification in a Teacher Shortage Discipline, but remains enrolled at least half-time in another academic discipline.
- h) A DeBolt Scholar shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see e.g., 34 CFR 653.42(k)(i)), or if his or her representative provides ISAC with a death certificate or other evidence that the Scholar has died.
 - i) Renewal Applicants may receive a subsequent award even if their discipline is no longer on the approved list of Teacher Shortage Disciplines.
 - j) A DeBolt Scholar may receive up to 8 semesters/12 quarters of scholarship assistance under this program.
 - k) Scholarship funds are applicable toward two semesters/three quarters of half-time and full-time study within an Academic Year.

(Source: Amended at 20 Ill. Reg. 9141, effective July 1, 1996)

Section 2764.40 Program Procedures

- a) Applications for the DeBolt Teacher Shortage Scholarship Program are available from qualified Institutions throughout Illinois, state legislative and federal congressional offices, and ISAC's Springfield, Deerfield and Chicago offices.
- b) ISAC shall accept applications to be a DeBolt Scholar (or Scholar) in accordance with Section 2764.30 of this Part, DeBolt Scholar Eligibility.
- c) ISAC shall identify Qualified Applicants from applications submitted by the established deadline date.
- d) ISAC shall select the DeBolt Scholars from among Qualified Applicants based on the following criteria:
 - 1) Cumulative Grade Point Average (GPA). Cumulative GPAs will be prioritized from the highest to the lowest. All GPAs will be converted to a four-point scale.
 - 2) Expected Family Contribution (EFC). EFCs will be prioritized from the lowest to the highest.
 - 3) Minority Student Status. Minority Students shall receive priority consideration.
 - 4) Renewal Applicant Status. Renewal Applicants shall receive priority consideration provided the student:
 - A) continues to maintain a Cumulative GPA of no less than 2.5 on a 4.0 scale;
 - B) maintains his or her status as a Qualified Applicant, as outlined in Section 2764.30(b) of this Part, DeBolt Scholar Eligibility;
 - C) continues to advance satisfactorily toward the attainment of a degree in a Teacher Shortage Discipline; and
 - D) has submitted an application on a timely basis.

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- 5) If all other criteria are equal, priority consideration will be given to the Qualified Applicant who submitted his or her completed application to ISAC on the earliest date.
- e) The total number of scholarships awarded in a given fiscal year is contingent upon available funding.
- f) To the extent necessary to administer this program within the limits of the State appropriation, the Commission may adjust the priority consideration factors established by this Section.
- g) ISAC shall annually establish and publicize guidelines for the awarding of DeBolt Scholarships.
- h) Notice of eligibility shall be sent to each Qualified Applicant who is selected to receive a DeBolt Scholarship. A notice will be sent to each Qualified Applicant who is not selected to receive a DeBolt Scholarship.

(Source: Amended at 20 Ill. Reg. 9141, effective July 1, 1996)

Section 2764.50 Institutional Procedures

- a) The Institution shall submit application information for Qualified Applicants in sufficient time for ISAC to make award announcements.
- b) The Institution shall submit the certification of eligibility for Qualified Applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of Terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the Applicant's eligibility is not determined until the final term of the Academic Year for which the scholarship is being awarded or when a DeBolt Scholar is attending only one Term and the maximum award does not exceed the Scholar's Cost of Attendance.
- d) Funds shall be remitted by ISAC to Institutions on behalf of the DeBolt Scholar(s).
- e) Upon receipt of scholarship funds, the Institution shall verify the DeBolt Scholar's enrollment status. If the DeBolt Scholar is Enrolled, the Institution may credit the scholarship funds to the Scholar's account for expenses then due and payable. The balance of the disbursement shall be released to the Scholar. If the recipient has withdrawn from enrollment, the Institution shall return the total amount of the scholarship to ISAC.
- f) Scholarship Amount
 - 1) In accordance with this subsection, the Institution at which the DeBolt Scholar is enrolled shall compute the amount of the scholarship. The DeBolt Scholar must have reviewed and signed the Teaching Agreement/Promissory Note prior to the receipt of any scholarship assistance.
 - 2) DeBolt Teacher Shortage Scholarships are applicable only toward tuition and fee and room and board charges or commuter allowances, if applicable.

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- 3) The annual scholarship awarded to a Qualified Applicant must not exceed:
- A) Tuition and fees plus room and board expenses charged by the Institution; or
 - B) Tuition and fees plus the Institution's standard cost of living allowance for students living off-campus; or
 - C) a maximum of \$5,000.
- 4) The total amount of DeBolt Teacher Shortage Scholarship assistance awarded to a Qualified Applicant in a given Academic Year, when added to the other financial aid available to the Qualified Applicant for that year, cannot exceed the Cost of Attendance.
- 5) In any Academic Year in which the Qualified Applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship Program (23 Ill. Adm. Code 2763), or the Special Education Tuition Waiver Program (23 Ill. Adm. Code 2765), the Qualified Applicant shall not be eligible for scholarship assistance under this Part.
- 6) A Qualified Applicant may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the DeBolt Scholar's Cost of Attendance exceeds the amount of the DeBolt Scholarship.

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NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: David A. DeBolt Teacher Shortage Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2764
- 3) Section numbers:
- | | |
|---------|-------------------------|
| 2764.10 | <u>Proposed Action:</u> |
| 2764.20 | New |
| 2764.30 | New |
| 2764.40 | New |
- 4) Statutory Authority: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules. ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules.

Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program and in response to a concern raised by the Illinois State Board of Education, language has been included in the proposed rules to allow applicants to qualify for this scholarship if they are seeking additional coursework to teach in a specialized, and approved teacher-shortage program. For example, this added provision would enable those who have already obtained teacher certification in one shortage area to also acquire bilingual certification. The proposed rules include language that specifies when a scholarship must be converted to a loan, under what circumstances a loan payment may be deferred and under what circumstances a teaching obligation may be extended.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act (30 ILCS 805/3(b)) and does not require a local government to

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establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2764

DAVID A. DEBOLT TEACHER SHORTAGE SCHOLARSHIP PROGRAM

Section	
2764.10	Summary and Purpose
2764.20	Applicant Eligibility
2764.30	Program Procedures
2764.40	Institutional Procedures

AUTHORITY: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 976, effective February 1, 1995, for a maximum of 150 days; emergency expired on June 30, 1995; adopted at 19 Ill. Reg. 11367, effective August 1, 1995; amended at 20 Ill. Reg. 9141, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2764.10 Summary and Purpose

- a) The David A. DeBolt Teacher Shortage Scholarship encourages academically talented students to pursue careers as public preschool, elementary and secondary school teachers in disciplines that have been designated as teacher shortage disciplines in the State of Illinois with a priority given to minority students.
- b) This Part establishes the rules which govern the David A. DeBolt Teacher Shortage Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2764.20 Applicant Eligibility

- a) A qualified applicant shall be:
 - 1) a United States citizen or eligible noncitizen;
 - 2) a resident of Illinois;
 - 3) a high school graduate or a person who has received a General Educational Development Certificate (GED);
 - 4) enrolled, or accepted for enrollment, on at least a half-time basis at the sophomore level or above at an institution of higher learning; and
 - 5) pursuing a postsecondary course of study leading to initial certification in a teacher shortage discipline or pursuing additional coursework needed to gain Illinois State Board of

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- b) Education approval to teach in an approved specialized teacher shortage program.
- c) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship Program (23 Ill. Adm. Code 2763), or the Special Education Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

Section 2764.30 Program Procedures

- a) All applicants must complete the form which the U.S. Department of Education designates as an application for federal student financial aid for the purpose of determining the Expected Family Contribution (EFC) which is used as a selection criteria for this award. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070a).)
- b) A completed ISAC application for the David A. DeBolt Teacher Shortage Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the academic year for which the scholarship is being requested, in order to receive priority consideration for an award.
 - 1) ISAC applications are available from qualified institutions of higher learning, State legislative and Congressional offices, and ISAC's Springfield, Deerfield, and Chicago offices;
 - 2) ISAC will mail renewal ISAC applications to all qualified students who received DeBolt Teacher Shortage Scholarships during the preceding academic year; and
 - 3) if the student section of an ISAC application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.
- c) ISAC shall select the recipients from among qualified applicants who filed timely applications based on a combination of the following criteria:
 - 1) cumulative grade point averages, prioritized from the highest to the lowest. All grade point averages will be converted to a four-point scale;
 - 2) Expected Family Contribution (EFC), from the lowest to the highest;
 - 3) minority students shall receive priority consideration; and
 - 4) renewal applicants shall receive priority consideration provided the student:
 - A) continues to maintain a cumulative grade point average of no less than 2.5 on a 4.0 scale;

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- B) maintains his or her status as a qualified applicant, as outlined in Section 2764.20(a) of this Part, Applicant Eligibility;
- C) maintains satisfactory academic progress as determined by the institution; and
- D) has submitted an application on a timely basis.
- d) If all other criteria are equal, priority consideration will be given to the qualified applicant who submitted his or her completed application to ISAC on the earliest date.
- e) A recipient may receive up to 8 semesters/12 quarters of scholarship assistance under this program.
- f) Scholarship funds are applicable toward two semesters/three quarters of half-time and full-time study within an academic year.
- g) The total number of scholarships awarded in a given fiscal year is contingent upon available funding.
- h) To the extent necessary to administer this program within the limits of the State appropriation, the Commission may adjust the priority consideration factors established by this Section.
- i) ISAC shall annually establish and publicize guidelines for the awarding of DeBolt Teacher Shortage Scholarships.
- j) Notice of eligibility shall be sent by ISAC to each qualified applicant who is selected to receive a DeBolt Teacher Shortage Scholarship. A notice will be sent by ISAC to each qualified applicant who is not selected to receive a DeBolt Teacher Shortage Scholarship.
- k) Prior to receiving scholarship assistance for any academic year, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following:
- 1) a pledge on the part of the recipient to teach, on a full-time basis, in the teacher shortage discipline for which the recipient applied one year for each year of scholarship aid received or for any portion of a year for which aid was received, under this part;
 - 2) a stipulation that such teaching requirement will be fulfilled within the five-year period following termination of the postsecondary education degree or certificate program for which the scholarship was awarded;
 - 3) a stipulation that such teaching requirement will be fulfilled at an Illinois public preschool, elementary or secondary school;
 - 4) a stipulation that, if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to student loans under the Federal Family Education Loan Program and, if applicable, reasonable collection fees; and
 - 5) a further stipulation that the recipient agrees to provide ISAC

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- with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- 1) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed services; or
 - 2) is enrolled full-time in a graduate course of study related to the field of teaching at an institution of higher learning; or
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or
 - 4) is actively seeking but unable to find employment as a teacher at an Illinois public preschool, elementary or secondary school, for a single period not to exceed two years and is able to provide evidence of that fact.
- m) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed services; or
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician; or
 - 3) is pursuing a graduate course of study and is enrolled on a full-time basis for a single period of time not to exceed three years; or
 - 4) is seeking and unable to find full-time employment for a single period not to exceed two years and is able to provide evidence of that fact; or
 - 5) withdraws from a course of study leading to a teacher certification in a teacher shortage discipline, but remains enrolled at least half-time as an undergraduate for a single period of time not to exceed three years.
- n) During the time a recipient qualifies for any of the extensions listed in subsection (m) of this Section, s/he shall not be required to make payments and interest shall not accrue.
- o) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher in a designated teacher shortage discipline, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
 - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the

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- scholarship was awarded.
- p) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.
 - q) Renewal recipients may receive a subsequent award even if their discipline is no longer on the approved list of teacher shortage disciplines.

Section 2764.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
 - b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
 - c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
 - d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).
 - e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.
 - f) Upon receipt of the scholarship funds, if the recipient has withdrawn from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.
- 9) Scholarship Amount
- 1) DeBolt Teacher Shortage Scholarships are applicable only toward tuition and fee and room and board charges or commuter allowances, if applicable.
 - 2) The annual scholarship amount shall be computed by the institution and be the lesser of:
 - A) tuition and fees plus room and board expenses charged by the institution;
 - B) tuition and fees plus the institution's standard cost of living allowance for students living off-campus; or
 - C) \$5,000.
 - 3) The total amount of DeBolt Teacher Shortage Scholarship assistance awarded to a qualified applicant in a given academic year, when added to the other financial aid available to the

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- qualified applicant for that year, cannot exceed the cost of attendance.
- 4) A qualified applicant may receive grant assistance under the Monetary Award Program only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the DeBolt Teacher Shortage Scholarship.

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- 1) Heading of the Part: Federal Family Education Loan Program (FFELP)
- 2) Code Citation: 23 Ill. Adm. Code 2720

3) Section Numbers: Proposed Action:

2720.5	Amended
2720.6	Repealed
2720.10	Amended
2720.20	Amended
2720.25	Amended
2720.30	Amended
2720.35	Amended
2720.40	Amended
2720.41	Amended
2720.42	Amended
2720.50	Amended
2720.55	Amended
2720.60	Amended
2720.70	Amended
2720.80	Amended
2720.90	Amended
2720.105	Amended
2720.120	Amended
2720.130	Amended
2720.200	Amended
2720.210	Amended
2720.220	Amended

- 4) Statutory Authority: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

For ease of reference, ISAC is moving definitions that were contained in each Part to General Provisions, 23 Ill. Adm. Code 2700.20,

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Definitions. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

To summarize the changes to this Part: In addition to making minor technical and grammatical changes, amendments are proposed to repeal Section 2720.6, Definitions. All definitions have been added as proposed amendments to General Provisions 23 Ill. Adm. Code 2700.20, Definitions. Amendments have been proposed to update Section 2720.70, which refers to Reimbursement Procedures to include federal loan forgiveness for borrowers who were in attendance at a school when it closed and for borrowers whose eligibility for a loan has been falsely certified by a school. This change mirrors the federal regulations regarding this program in accordance with 34 CFR 682.402.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:
- Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

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The full text of the proposed amendments begins on the following page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2720

FEDERAL FAMILY EDUCATION LOAN PROGRAM
(FFELP)

SUBPART A: FEDERAL LOAN PROGRAMS:

THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section	Summary and Purpose
2720.5	Definitions (Repealed)
2720.6	Eligibility for ISAC Loan Guarantees
2720.10	Lender Eligibility
2720.20	Educational Institution Lender Eligibility
2720.25	Institutional Eligibility
2720.30	Holder Eligibility
2720.35	Procedures for Obtaining a Guaranteed Loan
2720.40	One-Lender Requirement
2720.41	One-Holder Requirement
2720.42	Procedures for Disbursement and Repayment
2720.50	Federal Consolidation Loan Program
2720.55	Preclaim Assistance
2720.60	Reimbursement Procedures
2720.70	Student Insurance Premium
2720.80	Guarantee Transfers
2720.90	

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section	Summary and Purpose
2720.105	IDAPP Eligible Loans
2720.120	IDAPP Eligible Lenders
2720.130	

SUBPART C: ISAC ORIGINATED LOANS

Section	Summary and Purpose
2720.200	ISAC Originated Consolidation Loans
2720.210	Illinois Opportunity Loan Program (IOP)
2720.220	Federal Family Education Loans (FFEL)

APPENDIX A Required Activities of Educational Lenders (Repealed)

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AUTHORITY: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 5 Ill. Reg. 8698, effective August 17, 1981; emergency rule and emergency repealer at 6 Ill. Reg. 7558, 7573, effective June 9, 1982, for a maximum of 150 days; new rules adopted at 6 Ill. Reg. 13799, effective October 25, 1982; old rules repealed at 6 Ill. Reg. 15254, effective December 3, 1982; emergency amendment at 7 Ill. Reg. 9942, effective August 8, 1983, for a maximum of 150 days; codified at 7 Ill. Reg. 13309; amended at 8 Ill. Reg. 876, effective January 9, 1984; amended at 8 Ill. Reg. 7286, effective May 18, 1984; amended at 8 Ill. Reg. 17006, effective September 5, 1984; amended at 9 Ill. Reg. 20796, effective January 1, 1986; amended at 11 Ill. Reg. 3181, effective January 29, 1987; emergency amendment at 11 Ill. Reg. 13669, effective August 5, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14103, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 18370, effective October 23, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20989, effective January 1, 1988; amended at 12 Ill. Reg. 6971, effective April 1, 1988; amended at 12 Ill. Reg. 11520, effective July 1, 1988; emergency amendment at 12 Ill. Reg. 15221, effective September 15, 1988, for a maximum of 150 days; emergency expired February 12, 1989; amended at 13 Ill. Reg. 2872, effective February 16, 1989; amended at 13 Ill. Reg. 8630, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1720 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2720 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17855; emergency amendment at 14 Ill. Reg. 4266, effective March 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10553, effective July 1, 1990; amended at 14 Ill. Reg. 10941, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 18769, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 4060, effective February 28, 1992; amended at 16 Ill. Reg. 11224, effective July 1, 1992; emergency amendment at 17 Ill. Reg. 2055, effective February 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10506, effective July 1, 1993; amended at 18 Ill. Reg. 10254, effective July 1, 1994; emergency amendment at 18 Ill. Reg. 15636, effective October 15, 1994, for a maximum of 150 days; emergency expired March 13, 1995; amended at 19 Ill. Reg. 6215, effective April 15, 1995; amended at 19 Ill. Reg. 8320, effective July 1, 1995; amended at 20 Ill. Reg. 9147, effective July 1, 1996; amended at 21 Ill. Reg. _____, effective _____.

SUBPART A: FEDERAL LOAN PROGRAMS:

THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section 2720.5 Summary and Purpose

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- The Federal Family Education Loan Program (FFELP) is authorized by Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), and is administered by the United States Department of Education (ED), guaranty agencies, educational institutions, and lenders. This Part establishes rules which govern the responsibilities of the programs. Guaranteed-Loan-Programs. Administrative rules and definitions are contained in the General Provisions, Part at 23 Ill. Adm. Code 2700. Defined-terms are indicated by a star in the text.
- This Part establishes rules which govern the responsibilities of the programs. Guaranteed-Loan-Programs. Administrative rules and definitions are contained in the General Provisions, Part at 23 Ill. Adm. Code 2700. Defined-terms are indicated by a star in the text.
- Federal regulations govern the responsibilities of the Illinois Student Assistance Commission (ISAC), educational institutions, and lenders. This Subpart implements ISAC's discretionary authority as a guaranty agency. Guarantee-Agency.

(Source: Amended at 21 Ill. Reg. _____, effective _____.)

Section 2720.6 Definitions (Repealed)

"Academic-Year"---For the purposes of this Part, is defined at Section 481(d)(2) of the Higher Education Act, as amended, 20 U.S.C.A. 481(d)(2).

"Co-maker"---One of the two individuals who are joint borrowers either on a Federal Consolidation Loan or on a Federal PLUS loan that was certified prior to January 17, 1995, and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Consolidation"---A federal program which allows borrowers to consolidate a number of loans into one, as authorized by Section 428e of the HEA, as amended.

"Default-Status"---The failure of a borrower to make an installment payment when due or to meet terms of the Note provided this failure persists for 180 days for a loan repayable in monthly installments or 240 days for a loan repayable in less frequent installments under circumstances where ISAC finds it reasonable to conclude the borrower no longer intends to honor the repayment obligation. Such circumstances include, but are not limited to, a refusal to make payment by the borrower.

"Delinquency"---For the purposes of this Part, is defined at 34 CFR 682.411(b).

"Disbursement"---The process of transferring funds from the lender to the borrower. Educational institutions participate in the

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Bisbursement-process:

"Educational-bender"---An-educational-institution-which-meets-the-bender-eligibility-criteria-outlined-in-Section-2720-25.

"Endorser"---A-person-who-is-secondarily-liable-for-the-repayment-of-a-Federal-PBUS-loan-obligation.

"Federal-Regulations"---Regulations-promulgated-by-ED-and-codified-at-34-CFR-668-and-682.

"FPEBP"---The-acronym-for-the-Federal-Family-Education-loan-program-as-authorized-by-Section-421-of-the-Higher-Education-Act-as-amended-including-subsidized-and-unsubsidized-Federal-Stafford-loans-Federal-PBUS-loans-Federal-SBS-loans-and-Federal-Consolidation-loans.

"Full-time-Student"---For-the-purposes-of-this-Part-is-defined-at-34-CFR-682-200.

"Half-time-Student"---For-the-purposes-of-this-Part-is-defined-at-34-CFR-682-200.

"Holder"---An-organization-authorized-by-ED-and-ISAC-to-purchase-or-retain-possession-of-Guaranteed-Loans---These-organizations-operate-as-commercial-and-Educational-lenders-or-secondary-markets-and-may-purchase-ISAC-Guaranteed-loans-from-approved-benders---ISAC's-Illinois-Designated-Account-Purchase-program-(IDAPP)-and-the-Student-loan-Marketing-Association-(SMA)-are-examples-of-approved-holders.

"IDAPP"---The-acronym-for-ISAC's-Illinois-Designated-Account-Purchase-program-as-authorized-by-the-Education-loan-Purchase-program-baw-110-165-947/125-through-170.

"Lender"---Defined-by-Section-435-of-the-Higher-Education-Act-of-1965-as-amended-(20-U.S.C.A.-1078-1)-and-Sections-80-through-175-of

"Master-Check"---A-single-check-representing-the-loan-proceeds-for-more-than-one-borrower.

"PBUS"---A-Federal-program-which-provides-loans-to-parents-of-certain-students-as-authorized-by-Section-428B-of-the-Higher-Education-Act-of-1965-as-amended-(20-U.S.C.A.-1078-2)-and-Sections-80-through-175-of-the-Higher-Education-Student-Assistance-Act-110-165-947/80-through-175.

"SBS"---The-acronym-for-the-Federal-Supplemental-loans-for-Students-program-as-authorized-by-Section-428A-of-the-Higher-Education-Act-of-1965-as-amended-(20-U.S.C.A.-1078-1)-and-Sections-80-through-175-of

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the-Higher-Education-Student-Assistance-Act-110-165-947/80-through-175}---No-new-SBS-loans-have-been-made-for-periods-of-enrollment-beginning-on-or-after-July-17-1994---The-SBS-program-has-been-merged-into-the-unsubsidized-component-of-the-Stafford-loan-program-and-no-longer-exists-as-a-separate-program---All-conditions-and-benefits-applicable-to-existing-SBS-loans-will-continue-for-those-loans---Also-to-the-extent-that-current-unsubsidized-Stafford-loans-have-different-conditions-and-benefits-than-under-the-merged-program-those-loans-retain-those-different-conditions-and-benefits---See-P.B.-103-667 commonly-known-as-the-Omnibus-Budget-Reconciliation-Act-of-1993-}

"Stafford"---Subsidized-and-unsubsidized-Federal-Stafford-loans-to-eligible-borrowers-as-authorized-by-Sections-427-428-and-428H-of-the-Higher-Education-Act-as-amended-(20-U.S.C.A.-1078)-and-Sections-80-through-175-of-the-Higher-Education-Act-110-165-947/80-through-175.

(Source: Repealed at 21 Ill. Reg. _____, effective _____)

Section 2720.10 Eligibility for ISAC Loan Guarantees

- a) Applicants may apply for a loan guarantee by submitting a common ED-approved application form.
- b) Eligibility requirements for guaranteed loans Guaranteed-loans are established by federal regulations Federal-Regulations (34 CFR 682.201).
- c) The student must be enrolled Enrolled, or accepted for enrollment, at an approved postsecondary institution institution which has certified the applicant Applicant as eligible for a guaranteed loan Guaranteed loan.
- d) An applicant Applicant shall not be disqualified for a loan guarantee by ISAC if the lender Lender, the institution institution, the student, and the borrower meet the eligibility requirements of Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), of federal regulations Federal-Regulations and of this Subpart.
- e) No loan guarantee shall be issued if such loan would exceed the aggregate amount permitted such borrower, as specified by federal regulations Federal-Regulations (34 CFR 682.204).
- f) The institution institution shall compute a recommended loan amount for each applicant Applicant in accordance with Section 425(a)(1)(C) of the Higher Education Act, as amended. No guaranteed loan Guaranteed-loan may exceed the institution's institution's recommended amount.

- 1) When certifying loan eligibility for an academic year Academic year which will span academic levels Academic-levels, the institution's institution's recommended loan amount shall not

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exceed the maximum permitted for the applicant's academic level Applicant's Academic Level at the time of certification.

- 2) Should a student borrow in excess of the permitted loan maximums, the student becomes ineligible for federal financial assistance for that academic year Academic Year. (See Section 484 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1091) and 34 CFR 688.7(a)(9).)

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.20 Lender Eligibility

a) Lender Agreement

- 1) All approved lenders Benders must execute an ISAC Lender Agreement tender-agreement prior to participating in the Federal Family Education Loan Program through ISAC. Lenders wishing to serve as lenders-of-last-resort Benders-of-last-resort are required to sign an additional Agreement agreement which includes the provisions of Section 428(j) of the Higher Education Act, as amended.

- 2) Lenders must have received ED approval prior to executing a Lender Agreement tender-agreement.

- 3) The Lender Agreement tender-agreement shall include provisions requiring lenders Benders to:

- A) Comply with statutes, federal regulations Federal Regulations, rules Rules, published policies and procedures; and

- B) Provide such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations Federal Regulations. (See Sections 2720.60(a) and 2720.70(c).)

- 4) Lenders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the lender Bender with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the lender Bender shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than those directly related to the administration of ISAC's guaranteed loan Guaranteed-loan programs.

- 5) Termination of the Lender Agreement tender-agreement may be made by either the lender Bender or ISAC with 30 days' written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.

- b) Eligible lenders Benders shall employ an adequate number of qualified persons to administer their responsibilities under the ISAC rules Rules. In determining whether a lender Bender employs an adequate

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number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.

- c) In addition to the provision of subsection (a), the Lender Agreement tender-agreement for insurance companies approved as lenders Benders shall require:

- 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
- 2) compliance with Sections 421 through 434 of the Illinois Insurance Code [215 ILCS 5/421 through 434], which prohibit unfair methods of competition and unfair and deceptive acts and practices [215-ILCS-5/421-through-434].

- d) A loan guarantee shall be cancelled if the lender Bender fails to comply with federal regulations Federal Regulations, statutes, ISAC rules Rules, or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the lender Bender for the defaulted loan.

- e) ISAC conducts compliance reviews to determine if approved lenders Benders are complying with federal regulations Federal Regulations, statutes and rules Rules.

- f) Lenders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and the Department of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the lender's Bender's qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.25 Educational Institution Lender Eligibility

- a) Educational lenders Benders must meet the eligibility requirements of institutions institutions as outlined in Section 2720.30, Institutional Eligibility, and must meet the eligibility requirements established for lenders Benders as outlined in Section 2720.20, Lender Eligibility. Also, educational lenders Benders must comply with all federal regulations Federal Regulations related to the origination, disbursement and servicing of a loan. (See, e.g., 34 CFR 682.601.)

- b) Illinois educational institutions institutions may be approved as

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lenders Benders by the Commission if approved by ED and if the following requirements are met.

1) The specific materials to be provided by an institution in seeking approval as an eligible lender Bender are:

A) An audited, certified, and preferably unqualified annual financial statement prepared by a firm of certified public accountants (CPA). The statement must cover a period of no less than 12 months and be no more than 12 months old at the time of submission. The CPA firm must express an acceptable opinion on the statement, and the statement shall consist of no less than a balance sheet, a statement of profit and loss, and all attendant notes thereto;

B) An institutional catalog, and a statement of the institution's institution's educational costs and refund policies;

C) A statement of the institution's institution's default/delinquency experience as a lender Bender in the Federal Perkins Loan Program, FFELP, and/or Federal Insured Student Loan (FISL) program (20 U.S.C.A. 1071 et seq.) and a release to permit ISAC to solicit further data from ED or the institution's institution's service agency, if any, with respect to such records;

D) A statement which demonstrates the institution's institution's administrative ability to comply with all servicing requirements of the program;

E) Bank and other credit references and a release to permit ISAC to inquire of these references;

F) A statement explaining the source of the institution's institution's lending capital;

G) A statement providing the amount of lending authority sought for the applicable fiscal year and an estimate of the lending volume expected in each of the two succeeding fiscal years; and

H) Any other materials which might be requested by ISAC to show the institution's institution's potential qualifications as a lender Bender.

2) In addition to the above materials, a school which is organized on a for-profit basis will be requested to submit a:

A) copy copy of its student contract;

B) description Description of its admission/sales staff and their functions;

C) statement Statement of the institution's institution's drop-out/completion rates;

D) sample Sample of the institution's institution's advertising materials; and

E) description Description or copies of student complaints filed with the institution institution in the last two years. In addition to these materials, ISAC will secure a

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Dun and Bradstreet Report on the institution institution, a statement from the Better Business Bureau with regard to any consumer complaints, and a statement from the institution's institution's accrediting association.

3) The applications for eligible educational lender Educational Bender status in the programs Programs and the supporting documentation shall be reviewed by ISAC. ISAC staff shall inform the applicant institution institution of its proposed recommendations to the Commission prior to the meeting at which action on the application will be taken. The applicant institution Applicant-institution shall also be informed of the recommendation for its annual lending limit, as well as any additions to the lender agreement which ISAC feels are prudent in individual instances to protect the default record of ISAC. The institution institution shall also be informed that if it is not in agreement with any ISAC staff recommendations, it is entitled to representation at the Commission meeting and will be allowed to state its objections. If the institution institution is approved by the Commission as an educational lender Educational Bender, ISAC will execute a Lender Agreement which will include:

A) the institution's the-institution's agreement to abide by the Rules Rules of ISAC;

B) a A statement of agreement including, or referring to, the list of required activities of educational lenders Educational-Benders as outlined in 34 CFR 682.601;

C) a A statement of agreement including, or referring to, the federal regulations Federal-Regulations with respect to loan disbursements Disbursements and refund application;

D) a A statement of agreement including, or referring to, the federal regulations Federal-Regulations definition of "due diligence"; and

E) an An expiration date of such lending contract which shall not be later than the end of the first full fiscal year following the negotiation of the contract, at which time its renewal shall be considered by ISAC.

C) A loan guarantee shall be canceled if the educational lender Educational-Bender fails to comply with federal regulations Federal-Regulations, statutes, ISAC rules Rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the educational lender Educational-Bender for the defaulted loan.

d) ISAC conducts compliance reviews to determine if approved educational lenders Educational-Benders are complying with federal regulations Federal-Regulations, statutes and rules Rules.

e) Educational lenders Benders that do not maintain the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations Federal-Regulations, may be subject to administrative limitation, suspension or termination proceedings Limitation

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Suspension-or-Termination-Proceedings. (See 23 Ill. Adm. Code 2790.)

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.30 Institutional Eligibility

- a) Institutional eligibility requirements are specified in federal regulations Federal-Regulations. Eligible postsecondary institutions include universities, colleges, graduate schools, schools of nursing, business, trade, technical, and vocational schools. Correspondence institutions institutions/programs are not eligible.
- b) Institutions must have executed a Program Participation Agreement with ED in order to participate in ISAC-guaranteed loan programs Guaranteed Loan-Programs. (See 34 CFR 668.14.)
- c) When an approved institution institution has a change of ownership resulting in a change of control, a change of location or a change of name as defined by federal regulations Federal-Regulations, the institution's institution's Program Participation Agreement with ED may be terminated. After an institution institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution institution may have its eligibility reinstated by the execution of a new Program Participation Agreement with ED (see e.g. 34 CFR 600.30 et seq.) and by the submission and approval of a new application for participation with ISAC.
- d) An institution institution may not engage in loan origination activities. This prohibition shall not apply if the institution institution has an ED-approved Origination Agreement on file with ISAC and the institution institution has been approved as an educational lender Educational-Lender. (See Section 2720.25 of this Part and 34 CFR 682.601.)
- e) Approved institutions institutions shall provide ISAC with the current enrollment status of students whom the institution institution has certified as eligible borrowers in accordance with federal regulations Federal-Regulations. (See 34 CFR 682.610(c).)
- f) Applicant and approved institutions institutions must demonstrate administrative capability and financial responsibility, as defined by federal regulations Federal-Regulations, in order to begin and to continue participation in ISAC-guaranteed loan Guaranteed-Loan programs. (See, e.g. 34 CFR 668.14 and 668.15.)
- g) Institutions wishing to participate in ISAC-guaranteed loan Guaranteed loan programs shall submit an application which shall include, but not be limited to: documentation from the U.S. Department of Education (ED) and the state in which it operates demonstrating authorization to offer educational programs; previous audit and compliance reviews conducted by other guarantors and ED; proof of accreditation; audited financial statements; student catalogs; promotional materials; policy

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and procedure manuals; documentation relating to default and student withdrawal rates; and other similar information requested by ISAC to show the institution's institution's qualifications for participation. Participation will be decided by an examination of application materials and a determination of compliance with federal laws and regulation and State state statutes and rules. Institutions may appeal an administrative decision denying participation or limiting eligibility in accordance with ISAC appeal procedures. (See 23 Ill. Adm. Code 2700.70.) Institutions denied participation shall be eligible to reapply one year from the date of the initial ISAC letter denying eligibility.

- h) Institutions not maintaining the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations Federal-Regulations, may be subject to administrative limitation, suspension or termination proceedings limitation--Suspension--or Termination-Proceedings. (See 23 Ill. Adm. Code 2790.)
- i) A foreign postsecondary educational institution institution, located outside of the United States, is eligible to participate in ISAC-guaranteed loan programs provided it produces evidence to ISAC of current eligibility with ED (e.g., Program Participation Agreement, Institutional Eligibility Notice, etc.) or documentation of such eligibility is available directly from ED.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.35 Holder Eligibility

- a) All approved holders Holders must execute an ISAC Holder Agreement agreement prior to participating in the subsidized and unsubsidized federal Federal Stafford, federal Federal PLUS, federal Federal SLS or federal Federal Consolidation loan programs.
- b) Holders must have received ED approval prior to executing a Holder Agreement agreement.
- c) The Holder Agreement agreement shall include provisions requiring holders Holders to:
 - 1) Comply with statutes, federal regulations, rules Federal Regulations-Rules and procedures; and
 - 2) Provide such information as ISAC may request relating to borrower demographics and collection records and other documents ISAC may need to comply with federal regulations Federal-Regulations. (See Sections 2720.60(a) and 2720.70(c).)
- d) Holders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the holder Holder with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the holder Holder shall agree that the information and data shall be confidential and shall not be

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used, disclosed, sold or shared for any purpose other than those directly related to the administration of ISAC's guaranteed loan Guaranteed-loan programs.

e) Termination of the Holder Agreement may be made by either the holder Holder or ISAC with 30 days' days written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.

f) Eligible holders Holders shall employ an adequate number of qualified persons to administer their its responsibilities under the ISAC rules Rules and federal regulations Federal-Regulations. In determining whether a holder Holder employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.

g) In addition to the provisions of subsection (c), the Holder Agreement agreement for insurance companies approved as holders Holders shall require:

1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and

2) compliance with Article XXVI of the Illinois Insurance Code [215 ILCS 5/Art. XXVI].

h) A loan guarantee shall be canceled if the holder Holder fails to comply with federal regulations Federal-Regulations, statutes, ISAC rules Rules, published policies or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the holder Holder for the defaulted loan.

i) ISAC conducts compliance reviews to determine if approved holders Holders are complying with federal regulations Federal-Regulations, statutes and rules Rules.

j) Holders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and the Department of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the holder's Holders's qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.40 Procedures for Obtaining a Guaranteed Loan

a) Borrowers who are eligible for a loan guarantee in accordance with

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Section 2720.10 are issued a notice of guarantee/disclosure statement. All promissory notes must be in a form approved by ED. No alteration or substitution may be used.

b) All loans are made at the lender's Bender's discretion. When a lender Bender rejects a borrower's application/promissory note, the lender Bender shall issue a notice of non-acceptance to the borrower.

c) Lender-of-last-resort Bender-of-last-resort requirements

1) An applicant Applicant who is eligible for a subsidized or unsubsidized Stafford loan guarantee pursuant to Section 2720.10 of this Part and who has received two denials from notices-of non-acceptance can request that ISAC make a referral to a lender-of-last-resort Bender-of-last-resort provided the applicant Applicant:

A) submits a written request for a lender-of-last-resort Bender-of-last-resort loan referral to ISAC, which is accompanied by two denials from notices-of non-acceptance issued-by ISAC-approved lenders Benders;

B) receives loan counseling information specifically designed to benefit an applicant Applicant seeking a lender-of-last-resort Bender-of-last-resort loan; and

C) attends an ISAC-approved institution institution.

2) ISAC, within 60 days, will refer applicants Applicants to lenders-of-last-resort Benders-of-last-resort or will advise them that they do not meet the eligibility requirements of Section 2720.10 of this Part within 60 days.

3) ISAC will act as a lender-of-last-resort Bender-of-last-resort or will refer the applicant Applicant to the Student Loan Marketing Association if it cannot refer the applicant Applicant to a lender-of-last-resort Bender-of-last-resort willing to make a subsidized or unsubsidized Stafford loan within 60 days.

d) The availability of an ISAC-guaranteed loan Guaranteed-loan shall not be conditioned upon the purchase of credit life, life, accident, health, or other forms of insurance.

e) The application/promissory note must be signed in ink. Signature stamps shall not be used.

f) At the lender's Bender's discretion and in accordance with federal regulations, endorser's Federal-Regulations, Endorsers may be used for federal Federal PLUS loans.

g) Lenders shall obtain the names and addresses of at least two references from each loan applicant Applicant. Lenders shall submit the reference data to ISAC when requesting ISAC reimbursement pursuant to Section 2720.70.

h) When certifying a borrower eligible for a loan guarantee, the institution institution shall provide ISAC a loan disbursement schedule consistent with Section 428G of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-7). Should the institution institution fail to provide ISAC a disbursement schedule that is consistent with federal law, ISAC shall assign the loan a disbursement

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schedule that is consistent with Section 428G of the Higher Education Act of 1965, as amended.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Lender-of-last-resort.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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Section 2720.41 One-Lender Requirement

a) All of a borrower's outstanding ISAC-guaranteed loans Guaranteed-Loans must be made by the same lender/bender, subject to the following conditions:

1) ISAC will issue a loan guarantee to a commercial lender/bender provided that lender/bender agrees to make all types of Federal Family Education Loans (FFEL) to the borrower which the borrower requests and is eligible to receive, and:

A) the loan is the borrower's first ISAC-guaranteed loan Guaranteed-Loan;

B) the loan is a subsequent loan and the commercial lender/bender has issued all of the borrower's previous ISAC-guaranteed loans Guaranteed-Loans; or

C) the loan is a subsequent loan and the commercial lender/bender holds or has purchased all outstanding ISAC-guaranteed loans Guaranteed-Loans for that borrower from previous commercial lender(s)/bender(s), in accordance with Section 2720.42 of this Part.

2) ISAC will issue a loan guarantee to an educational lender/bender provided that lender/bender agrees to make all types of FFEL to the borrower which the borrower requests and is eligible to receive, and:

A) the lender/bender is an educational institution at which the borrower is currently enrolled Enrolled; and

B) the borrower has previously made a good faith effort to obtain a loan from a commercial lender/bender pursuant to federal regulations Federal-Regulations. (See 34 CFR 682.601.)

b) The requirements of this Section shall not apply if:

1) the outstanding loans are held by a lender/bender which has been either declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from all FFEL programs;

2) ISAC is informed by the borrower, the institution institution, or its agent that the borrower has provided authorization to have subsequent loans issued by a different lender/bender;

3) the borrower is requesting a subsequent loan and the lender/bender has made a previous ISAC-guaranteed loan Guaranteed-Loan to that borrower for that loan program with a guarantee date prior to July 1, 1993; or

4) the borrower's outstanding loan(s) was made in accordance with Section 2720.40(c) of this Part, by a lender-of-last-resort

Section 2720.42 One-Holder Requirement

a) All of a borrower's outstanding ISAC-guaranteed loans Guaranteed-Loans must be sold by a lender/bender to the same holder.

1) If the lender/bender has sold any of a borrower's previous ISAC-guaranteed Guaranteed subsidized or unsubsidized Federal Federal Stafford loan(s) loans(s) or Federal Federal SLS loan(s) loans(s) to an approved holder/bender, the lender/bender shall sell all subsequent loans to the same holder/bender by no later than 90 days from the borrower's last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the event of untimely notification to the lender/bender of a student's change in enrollment status, no later than 45 days after the lender/bender became aware that the student ceased to be enrolled on at least a half-time Half-time basis. (See Section 2720.130(d).)

2) Subsidized Federal Federal Stafford loans loans, unsubsidized Federal Federal Stafford loans loans and Federal Federal SLS loans loans which were made under the same common Application/Promissory Note for loan periods within the same academic year Academic-Year must be sold simultaneously.

3) If the lender/bender has sold the applicant's Applicant's previous ISAC-guaranteed Federal Guaranteed-Federal PLUS loans loans to an approved holder/bender, the lender/bender shall sell each subsequent Federal Federal PLUS loan loan for that borrower to the same holder/bender by no later than 90 days from the last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the case of a late disbursement, the subsequent loan must be sold within 45 days following disbursement.

4) Upon notification by the holder/bender of the oldest previous loan, the holder/bender of any subsequent loan must sell that loan, unless the borrower requests in writing that the previous holder/bender sell to the subsequent holder/bender.

b) Failure to sell the subsequent loan by the deadline shall result in the loss of guarantee.

1) A guarantee may be reinstated if, within 90 days after identifying a loan in violation of subsection (a)(1), (a)(2), (a)(3), or (a)(4) above, the holder/bender or lender/bender initiates the sale of the loan to the eligible holder/bender who purchased the applicant's Applicant's previous loan(s).

2) Initiation of the sale procedure within 90 days, and conclusion

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of the sale before the day the loan enters default status Default Status, will retroactively reinstate the guarantee to the day the guarantee was lost due to a violation of subsection (a)(1), (a)(2), (a)(3) or (a)(4) above, provided no other violation of federal regulation Federal-Regulation or State rule exists.

- 3) Failure to initiate the sale of the loan within 90 days after identifying the violation will result in a permanent loss of guarantee for that loan. Failure to ultimately sell the loan to the holder Holder will also result in a permanent loss of guarantee for that loan.

- c) The requirements of this Section shall not apply if:

- 1) the outstanding loans are held by a holder Holder which has been either declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from all FFEL programs.
- 2) ISAC is informed that the borrower has provided authorization to have subsequent loans held by a different holder Holder.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.50 Procedures for Disbursement and Repayment

- a) Disbursement and repayment procedures are specified in federal regulations Federal-Regulations.

- b) Prior to disbursement Disbursement, the borrower(s) shall execute a completed Application/Promissory Note(s) Application/Promissory Note(s) for the principal and interest on the loan(s). The lender Bender shall retain the original copy of the Application/Promissory Note Application/Promissory-note.

- c) The lender Bender shall transmit to ED any and all statements and reports necessary to obtain federal interest payments on the borrower(s)' behalf. The lender Bender shall not collect or attempt to collect from the borrower(s) or ISAC any portion of the interest on the loan which is payable by ED.

- d) Except for loans pursuant to Section 2720.55, the lender Bender shall not disburse the proceeds of any loan on the borrower(s)' behalf unless and until the lender Bender shall have received from ISAC evidence of a guarantee. The lender Bender shall inform ISAC of all disbursement dates.

- e) Federal Stafford and federal Federal PLUS loan proceeds shall be transmitted directly to the institution Institution.

- 1) Federal Stafford loan checks or electronically transmitted funds shall be payable to the student borrower unless the institution Institution requires all loan checks to be co-payable to the borrower and the institution Institution. Federal PLUS loan checks shall be co-payable or sent via EFT to the institution Institution and the parent borrower. Federal Stafford or federal Federal PLUS loan funds transferred either electronically or by

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Master Check shall be transmitted to the institution Institution along with information identifying the name of each student on whose behalf loan proceeds are being transmitted, and the amount being transmitted on behalf of that student.

- 2) If the proceeds have not been disbursed to the institution Institution within 60 days after the conclusion of the term Term for which the loan was intended, or 90 days after the conclusion of the term, if exceptional circumstances are documented by the institution Institution in accordance with 34 CFR 682.207(d)(2)(iii), the loan guarantee will be canceled.

- 3) If the student has withdrawn from enrollment and federal regulations Federal-Regulations require the institution Institution to submit a refund to the lender Bender, either electronically or in the form of a check payable to the lender Bender on behalf of the borrower, the institution Institution shall provide simultaneous written notice to the borrower of the refund.

- A) If the institution Institution fails to issue a timely refund, as defined by federal regulations Federal-Regulations, the institution Institution shall pay penalty interest.

- B) The penalty interest shall equal the total amount of interest and special allowance generated by the principal value of the refund amount. The penalty interest shall be computed from the date the refund was due until the date the refund was issued.

- C) The penalty interest shall be paid to the lender Bender or subsequent holder Holder.

- f) The borrower(s) shall have the right to prepay without penalty the whole or any part of a loan guaranteed hereunder.

- g) The lender Bender or holder Holder shall notify the borrower of the repayment options available, as specified in 34 CFR 682.209 682-299. The lender Bender or holder Holder shall send a repayment schedule to a FFELP borrower no less than 30 days nor more than 240 days before the first payment on the loan is due from the borrower.

- h) The lender Bender or holder Holder shall notify ISAC of payment in full or prepayment in full by the borrower.

- i) In accordance with federal regulations Federal-Regulations, the lender Bender or holder Holder may extend the maturity date of any note.

- j) Lenders or holders may exercise administrative forbearances, which do not require the agreement of the borrower, as authorized by Section 428(c)(3)(C) (B) of the Higher Education Act of 1965, as amended, and by federal regulations Federal-Regulations.

- k) Borrowers are entitled to deferments, which extend the maturity date of any note(s), under conditions established by federal regulations Federal-Regulations.

- 1) ISAC provides lenders or holders Benders with the forms necessary for servicing their guaranteed loan Guaranteed--loan portfolio (e.g.,

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deferment forms, forbearance forms). With advance ISAC approval, lenders Benders may use non-ISAC forms. ISAC shall approve the use of alternative forms provided the alternative form is ED-approved and is compatible with ISAC's data processing requirements.

- m) No note shall be sold or transferred by the lender Bender except to an ISAC-approved lender Bender, an ISAC-approved holder Holder, or ISAC.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.55 Federal Consolidation Loan Program

- a) ISAC shall guarantee federal Federal Consolidation loans pursuant to Section 428C of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-3).

- b) Lenders may make federal Federal Consolidation loans provided participation in the Federal Consolidation Loan Program is authorized by the Lender Agreement Bender-agreement. (See: Section 2720.20(a).)

- 1) ISAC shall initially authorize a lender Bender to issue no more than \$5,000,000 in guaranteed federal Federal Consolidation loans.

- 2) A lender Bender may receive additional lending authority provided an ISAC compliance review indicates the lender Bender is complying with federal regulations Federal-Regulations, statutes and rules Rules. (See: Section 2720.20(f).)

- c) All applications and promissory notes shall be in a form approved by ED. Lenders shall report to ISAC when a federal Federal Consolidation loan is made.

- d) Lenders or holders shall request preclaim assistance and reimbursement on federal Federal Consolidation loans in accordance with Sections 2720.60 and 2720.70.

- e) Lenders or holders shall pay the U.S. Department of Education all fees required by Section 428C(f) of the Higher Education Act, as amended, for federal Federal Consolidation loans made on or after October 1, 1993.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.60 Preclaim Assistance

- a) ISAC functions in a supplementary role to assist the lender Bender or holder Holder in its collection of a loan that is at least 90 days delinquent. After requesting preclaim assistance, the lender Bender or holder Holder shall continue with normal collection activity. The following information is requested with the request for assistance, if available:

- 1) name Name and Social Security number Number;

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- 2) employer's Employer's name and telephone number;
3) home Home address and telephone number;
4) identification Identification of the problem;
5) date Date and amount of each payment;
6) loan loan amounts; and
7) number Number of days delinquent.

- b) The request for preclaim assistance must be sent to ISAC no earlier than 80 days after the first day of delinquency delinquency and no later than 100 days after the first day of delinquency delinquency. For accounts paid less frequently than monthly (e.g., quarterly), the request for preclaim assistance must be filed no earlier than the 140th day of delinquency delinquency and no later than the 160th day of delinquency delinquency.

- c) For 10 or more accounts submitted in one month, the request for preclaim assistance and subsequent preclaim transactions must be submitted electronically, in a format approved by ISAC, from which collection action can begin immediately.

- d) If a borrower's address is unknown, the lender Bender shall attempt to locate the borrower pursuant to federal regulations Federal Regulations. (See CFR 682.411.) The lender Bender may file for preclaim or skip-tracing assistance when it has completed its skip-tracing skip-tracing efforts. If it has not already done so, the lender Bender shall file for assistance within 10 days before or after either the 90th day of delinquency delinquency for loans due monthly, or the 150th day for loans that are due less frequently than monthly.

- e) When a lender Bender files for preclaim assistance, that lender Bender is automatically filing for supplemental preclaim preclaims assistance (the collection assistance provided by ISAC after the loan is 120 days delinquent).

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.70 Reimbursement Procedures

- a) if--a--borrower--dies--or--becomes--permanently--and--totally--disabled, The lender Bender or holder Holder shall request reimbursement from ISAC within 60 days from the date the lender Bender or holder Holder receives a completed request for loan cancellation or forgiveness--due to death, total and permanent disability, attendance at a school that closes, or false certification by a school of a borrower's eligibility for a loan, in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.502.)
- b) Requests for default reimbursement must be submitted to ISAC no earlier than 180 days after the first day of delinquency delinquency and no later than 270 days after the first day of delinquency delinquency. The lender Bender or holder Holder shall be reimbursed, in accordance with federal regulations Federal-Regulations and the

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Higher Education Act of 1965, as amended. In the case of a default on a federal Federal PLUS loan, the borrower, co-maker co-maker and endorser Endorser must meet the default criteria contained in federal regulations Federal-Regulations.

c) The lender bender or holder Holder must request ISAC reimbursement for a bankruptcy claim in accordance with federal regulations Federal Regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.402.) The request for reimbursement must be submitted within 30 days after the lender's bender's or holder's Holder's receipt of notice that collection on the debt is stayed. A copy of the restraining order and the appropriate papers must be included. In the case of a bankruptcy involving a federal Federal PLUS loan, the borrower, co-maker co-maker and endorser Endorser must meet the bankruptcy criteria contained in federal regulations Federal Regulations.

d) Prior to reimbursement, the lender bender or holder Holder must certify compliance with federal due diligence requirements and subsection (h) of this Section.

e) Prior to reimbursement, the lender bender or holder Holder must have remitted the insurance premium established by Section 2720.80.

f) The lender bender or holder Holder shall forward to ISAC any payments made by or on behalf of the borrower after default reimbursement and shall advise ISAC of any subsequent information received concerning the borrower. Prior to reimbursement, all original notes or certified, true and exact copies of original notes must be properly endorsed and submitted to ISAC. If the notes have been erroneously stamped "Paid in Full", or lost, the lender bender or holder Holder shall execute a Hold Harmless Agreement hold-harmless-agreement with ISAC.

g) No fee or charge to the borrower, other than the maximum interest rate prescribed by ED and the collection charges outlined in Section 682.202(f) and (g) of federal regulations Federal-Regulations, including the student insurance premium, and the federal loan origination fee, shall be contracted for or received by the lender bender.

h) The lender bender or holder Holder shall make a proper collection effort in accordance with acceptable practices of prudent lending institutions, including, but not limited to, the collection activities required by federal regulations Federal-Regulations. (See, e.g., 34 CFR 682.411.)

i) ISAC shall collect the outstanding amount on the reimbursed guaranteed loan guaranteed-loan. If the borrower refuses to retire the debt, ISAC shall follow the requirements of federal regulations Federal Regulations. (See 34 CFR 682.410.)

j) Should a borrower refuse to retire the debt, ISAC shall direct the State Comptroller to offset any payment from the State Treasurer to the borrower. The funds offset shall be remitted to ISAC and credited against the debt.

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1) All offsets shall be processed in accordance with 74 Ill. Adm. Code 285.

2) ISAC shall not direct an offset if the borrower has maintained a satisfactory repayment record. (See 23 Ill. Adm. Code 2700.40(a)(1).)

3) ISAC shall notify a borrower of the possibility of an offset no less than fifteen days prior to the first offset. ISAC shall not provide additional notice of subsequent offsets for the same debt. Should the borrower dispute the debt, an appeal must be filed within fifteen days after of the date of the notice. Appeals will be processed in accordance with 23 Ill. Adm. Code 2700.70. If the requested relief is granted, the funds offset shall be returned to the borrower.

4) Funds eligible to be offset include, but are not limited to, State income tax refunds and the wages of State employees.

k) ISAC shall provide a borrower with an opportunity for an administrative review of the legal enforceability or past-due status of the loan obligation after it pays a default claim but before it reports the default to a credit bureau or assesses collection costs against the borrower, in accordance with federal regulations Federal Regulations (34 CFR 682.410(b)(5)(ii)(c)).

l) ISAC may garnish the disposable pay of a borrower if the individual is not currently making required payments, in accordance with Section 488A of the Higher Education Act, as amended.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.80 Student Insurance Premium

a) ISAC charges each borrower an insurance premium on each guaranteed loan guaranteed-loan. The premium(s) collected by the lender bender must be remitted to ISAC no less frequently than monthly.

b) The amount of the premium collected on each loan shall be no greater than the maximum permitted by the Higher Education Act, as amended. The exact amount of the insurance premium shall be computed by ISAC and disclosed to the borrower on the notice of guarantee/disclosure statement. The rate of the insurance premium shall be determined by resolution of the Commission. When establishing the rate of the insurance premium, the factors to be considered by the Commission include: the solvency of the Student Loan Revolving Fund, projected application volume, and the timeliness of payments from ED pursuant to the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.).

c) Refunds of insurance premiums shall be made to the borrower in accordance with federal regulations Federal-Regulations. (See 34 CFR 682.401(b)(10)(vi).)

d) The insurance premiums shall be deposited in the Student Loan

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Revolving Fund. In accordance with federal regulations Federal Regulations, such proceeds may only be used to reimburse lenders for defaulted guaranteed loans Guaranteed-Loans, to pay for the administrative expenses of ISAC or to pay the reinsurance fee assessed by the Department of Education.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.90 Guarantee Transfers

- a) ISAC may transfer loan guarantees to or from another guarantor, as specified in Section 428(b)(2)(E) of the Higher Education Act of 1965 (HEA), as amended (20 USCA 1078(b)), provided:
- 1) the loan guarantees are insured (see Section 428(b) of the HEA);
 - 2) an agreement has been entered into between ISAC and:
 - A) the other guaranty agency,
 - B) an agent of the guaranty agency, who has been approved by the U.S. Secretary of Education, or
 - C) the U.S. Secretary of Education or an agent thereof;
 - 3) the transfer has been approved by the holder Holder of the loan.
- b) Notwithstanding any provision of Section 2720.42, regarding all loans being held by one holder Holder, a loan guarantee may be transferred to ISAC from another guaranty agency.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section 2720.105 Summary and Purpose

- a) The Commission provides a secondary market for ISAC Guaranteed Loans through the Illinois Designated Account Purchase Program (IDAPP). ISAC's secondary market reduces the administrative expenses of lenders and increases the availability of guaranteed loans Guaranteed-Loans.
- b) Through IDAPP, ISAC purchases eligible loans from IDAPP-eligible lenders. Sales to ISAC are conditional upon the execution of a contract between the eligible lender Bender and ISAC, and the eligible lender's Bender's good faith compliance with the contract.
- c) Also through IDAPP, ISAC services eligible loans from IDAPP-eligible lenders Benders. Services provided pursuant to this Subpart are conditional upon the execution of a contract between the eligible lender Bender and ISAC.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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Section 2720.120 IDAPP Eligible Loans

- a) Original Contract Program

- 1) ISAC will purchase guaranteed loans Guaranteed-Loans which are no more than 90 days delinquent on installments of principal or interest and guaranteed loans Guaranteed-Loans for which the borrower has failed to meet other contractual obligations. Loans in default are not eligible for purchase and should be submitted for reimbursement in accordance with Section 2720.70.
 - 2) Under this program ISAC will also purchase guaranteed loans Guaranteed-Loans in deferred status because of the borrower's unemployment or which have been granted a forbearance by the lender Bender.
 - 3) All accounts submitted for purchase must have an annual cumulative average loan size of at least \$2,000.
- b) The loan must be in compliance with federal regulations Federal Regulations and ISAC rules Rules up to the date of the sale. ISAC will decline to purchase any account if the lender Bender cannot demonstrate the loan was originated and serviced in accordance with all program requirements.
- c) If a lender Bender requests ISAC to purchase an account that was previously rejected for purchase by a different secondary market, ISAC will purchase the account only if the loan is current (not in delinquency delinquency status) and has an outstanding balance of at least \$3,500.
- d) In cases where a borrower's loan is held by ISAC and the borrower requests a renewal loan, and where such borrower has established a satisfactory relationship with ISAC, the original lender Bender must agree to make the renewal loan to the borrower with the understanding that such loan will be purchased by ISAC to consolidate the student's indebtedness. (See Section 2720.42.)
- e) Default Prevention Program
- 1) In cases where a lender Bender executes a contract authorizing participation in the Default Prevention Program, ISAC will purchase the additional types of guaranteed loans Guaranteed-Loans specified in subsection (e)(2) of this Section. All accounts submitted for purchase must have an annual cumulative average loan size of at least \$3,500.
 - 2) ISAC will purchase the following additional types of guaranteed loans Guaranteed-Loans:
 - A) all deferred loans;
 - B) loans from borrowers who have moved;
 - C) loans from borrowers who have failed to respond to the lender's Bender's written inquiry;
 - D) loans from graduate student borrowers; and
 - E) loans that do not fall under any preceding criteria classification.
 - f) Upon the sale of an account to ISAC, the lender Bender shall report

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the transfer of ownership to the credit reporting agency utilized by the lender bender. The lender bender shall not put an adverse report on the borrower's credit rating.

- g) ISAC may also purchase eligible loans as defined in Section 135 of the Higher Education Student Assistance Act [110 ILCS 947/135].

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.130 IDAPP Eligible Lenders

- a) Prior to submitting accounts for purchase, the lender bender and ISAC must execute an IDAPP contract. The contract requires lenders benders to comply with statutes, federal regulations, rules Federal Regulations, Rules and procedures.

- b) ISAC will purchase loans only from those lenders benders who have no inappropriate relationships with the educational institutions institutions certifying the loan. An inappropriate relationship includes, but is not limited to, fiscal or loan service arrangements between commercial lenders benders and institution institutions which are not permitted by law or federal regulation Federal Regulation (34 CFR 682.205) and/or of such nature that all educational institutions institutions or all lenders benders under similar circumstances would not receive similar terms, conditions, or services from the lender bender.

- c) If it appears that the lender bender has violated one or more of the ISAC rules Rules in the handling of any account, and if such violation contributed to the delinquent status of the account, ISAC will decline to purchase the account.

- d) The lender bender aware date of delinquency will be:

- 1) Date lender Date-bender received notice from school, borrower or ISAC, that the borrower has a revised last date of attendance;
- 2) date Date returned mail from a borrower(s)' address was received;
- 3) date Date information is received from borrower(s), student, spouse, or parent Parent that repayment will not be forthcoming; or
- 4) maturity Maturity date of Note, deferment, or payment due and not paid date.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

SUBPART C: ISAC ORIGINATED LOANS

Section 2720.200 ISAC Originated Consolidation Loans

- a) ISAC shall serve as a direct lender bender of federal Federal Consolidation loans in accordance with Section 2720.55, Federal

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Consolidation Loan Program.

- b) A recipient of an ISAC-originated federal Federal Consolidation loan must be an eligible borrower as established by Section 428C of the Higher Education Act of 1965, as amended- (20 U.S.C.A. 1078-3-). Subject to the availability of funds, no eligible borrower shall be denied a federal Federal Consolidation loan by ISAC.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.210 Illinois Opportunity Loan Program

- a) ISAC may serve as a direct lender bender of non-subsidized federal Federal Stafford loans loans through the Illinois Opportunity Loan Program.

- b) Each recipient of an Illinois Opportunity Loan must be an eligible borrower as established by Section 428 et seq. of the Higher Education Act of 1965, as amended- (20 U.S.C.A. 1078 et seq.).

- c) In addition to the eligibility criteria established by federal law for all federal Federal Stafford loan loan borrowers, each recipient must satisfy the following requirements to receive an Illinois Opportunity Loan.

- 1) Each borrower must be a full-time Full-time student who is enrolled Enrolled in a degree program. The borrower must be classified at an academic level Academic-level of sophomore or above in the degree program. The institution institution shall verify the borrower's enrollment status prior to disbursement.

- 2) Each borrower must be a resident Resident of Illinois. For purposes of this part, an applicant Applicant for an Illinois Opportunity Loan is a resident Resident of Illinois notwithstanding the applicant's Applicant's temporary absence from the State in order to enroll at an out-of-state institution institution.

- 3) The Illinois Opportunity Loan Program shall have a minimum loan size of \$1000 per academic year Academic-year.

- 4) No applicant Applicant may receive an Illinois Opportunity Loan if the total student assistance available to the borrower would exceed the borrower's cost of attendance. No applicant Applicant may receive an Illinois Opportunity Loan unless the institution's institution's financial aid administrator determines the borrower needs an Illinois Opportunity Loan to finance his/her education. (See, e.g., Title IV, Part F of the Higher Education Act of 1965, as amended- (20 U.S.C.A. 1087 kk et seq.).)

- d) The receipt of an Illinois Opportunity Loan by an eligible borrower is subject to the availability of lending capital. To the extent necessary to avoid an overcommitment of funds, ISAC may determine applicant Applicant eligibility on the basis of an application receipt date, or the term of study for which the loan is being requested, or

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both.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2720.220 Federal Family Education Loans (FFEL)

- a) ISAC may serve as a direct lender **lender** of educational loans under the Federal Family Education Loan Program.
- b) Each borrower must be an eligible borrower as established by the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.), and must meet the eligibility requirements set forth in Section 2720.10 of this Part, Eligibility for ISAC Loan Guarantees.
- c) The amounts, terms and conditions of loans made under this Section shall be in accordance with the provisions of the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.).
- d) Educational loans may be made to borrowers referred by **lenders** **benders** which have executed a Community Educational Loan Partnership agreement with ISAC.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: General Provisions

- 2) Code Citation: 23 Ill. Adm. Code 2700

- 3) Section Numbers:
 2700.10 Amended
 2700.20 Amended
 2700.30 Amended
 2700.40 Amended
 2700.50 Amended
 2700.55 Amended
 2700.60 Amended
 2700.70 Amended

- 4) Statutory Authority: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

Toward this end, ISAC is making several format changes to most Parts of the rules to enable similarities between the programs to be easily identified, highlight differences in eligibility criteria and program requirements, and better serve the population that the program is designed to benefit. For ease of reference, ISAC is moving definitions that were previously contained in each Part to General Provisions, Section 2700.20, which is entitled Definitions. Statutory eligibility criteria that previously may have been embodied in various definitions, have been moved to the Applicant Eligibility Sections of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

To summarize the changes to this Part, in addition to making minor technical and grammatical changes, amendments are proposed to add several definitions to Section 2700.20, Definitions.

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- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed amendments begins on the following page:

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- TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2700
GENERAL PROVISIONS

Section	Summary and Purpose
2700.10	Definitions
2700.20	General Institutional Eligibility Requirements
2700.30	General Applicant Eligibility Requirements
2700.40	Determining Applicant Eligibility
2700.50	Electronic Data Exchanges
2700.55	Audits and Investigations
2700.60	Appeal Procedures

AUTHORITY: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. _____, effective _____.

Section 2700.10 Summary and Purpose

- a) The purposes of the Illinois Student Assistance Commission (ISAC) include:
- 1) Improving postsecondary educational opportunities for eligible students through the centralized administration of Illinois student assistance programs; and
 - 2) Coordinating Illinois student assistance programs with those of the United States Department of Education (ED).
- b) This Part establishes general rules and definitions that apply to all student assistance programs administered by ISAC, except to the extent that subsequent Parts may qualify these general provisions.

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Defined terms are indicated by the first letter being capitalized:

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.20 Definitions

"Academic Level" - The classification of a student as freshman, sophomore, junior, senior, or graduate student.

"Academic Year" - In relation to scholarship and grant programs, a twelve month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Educational Loan Program, academic year is defined at Section 481(d)(2) of the Higher Education Act, as amended, and at 34 CFR 668.2.

"Action" - An administrative proceeding.

"Alternative Loan" - Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), or any other federal statute providing for federal insurance of education loans to borrowers.

"Applicant" - Any individual who requests ISAC consideration for a scholarship, grant, tuition waiver, or guaranteed loan **guaranteed loan**.

"Approved High School" - Any public high school located in this State, and any high school, located in this State or overseas (whether designated as a high school, secondary school, academy, preparatory school or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State. (Section 10 of the Higher Education Student Assistance Act [100 ILCS 947/10])

"Armed Forces" - The United States Army, Air Force, Navy, Marines and Coast Guard.

"Chargeback" - Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

"Citizen" - One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

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"College Savings Bond" - A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings instrument.

"Co-maker" - One of the two individuals who are joint borrowers either on a federal PLUS loan that was certified prior to January 1, 1995 or on any Federal Consolidation loan and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" - The ten member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15].

"Compound Accreted Value" - An amount equal to the original amount plus an investment return accrued to the date of determination at a semiannual compounding rate which is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accreted Value at Maturity" will be equal to \$5,000 or an integral multiple thereof.

"Concurrent Registration" - The simultaneous enrollment at two or more institutions.

"Consolidation" - A federal program which allows borrowers to consolidate a number of loans into one, as authorized by Section 428C of the Higher Education Act of 1965 (HEA), as amended.

"Consortium Agreement" - The written agreement between an institution eligible to participate in any of the programs administered by the Illinois Student Assistance Commission (as defined in Section 2700.30 and subsequent Parts of the ISAC rules Rules) and another institution whereby the second institution provides all or part of the education program of students enrolled in the eligible institution. ISAC reserves the right, after review of the agreement, to make the final decision regarding the amount, if any, and the destination of final gift assistance ~~Gift Assistance~~ payment(s).

"Correctional Officer" - An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of the Department.

"Co-signer" - A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" - is defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711).

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"Cumulative Grade Point Average" - The average grade earned throughout a student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" - The failure or refusal of a borrower to make an installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" - is defined at 34 CFR 682.411(b).

"Dependent Student" - A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an Independent Student ~~independent-student~~.

"Disbursement" - In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"ED" - The acronym for the United States Department of Education.

"Educational Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization with enrolls students who participate in ISAC programs.

"Eligible Noncitizen" - ~~A For--the-purposes-of-these-Rules--eligible~~ noncitizen who is ~~defined-as-noncitizens~~ eligible for federal student assistance pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See: 20 U.S.C.A. 1091.)

"Endorser" - A person who is secondarily liable for the repayment of a federal PLUS loan obligation.

"Enrolled" - The status of a student who has completed the institution's ~~institution's~~ registration requirements and is attending classes.

"Executive Director" - The chief executive officer of ISAC.

"Expected Family Contribution" - The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at Section 474 of the Higher Education Act (HEA) of 1965, as amended. (See 20 U.S.C.A. 1087nn.)

"Federal Regulations"---Refers-to-regulations-promulgated-by--BB--and

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~~codified-at-34-CFR-600-et-seq.~~

"FFELP" - The acronym for the Federal Family Education Loan Program, as authorized by Section 421 of the Higher Education Act, as amended, including subsidized and unsubsidized Federal Stafford loans, federal PLUS loans, Federal SUS loans and Federal Consolidation loans.

"FOIA" - The acronym for the Freedom of Information Act [5 ILCS 140].

"Foreign Missionary" - An individual who is assigned duty outside of the United States by an organization that engages in education, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing ~~foreign missionaries~~ ~~Foreign-Missionaries~~ for at least five years. Examples of such missionary organizations include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Freedom of Information Officer" - The individual at ISAC responsible for receiving and responding to requests for public records.

"Full-time Student" - In relation to scholarship and grant programs, an individual enrolled for twelve or more credit hours, for either a semester or quarter term ~~term~~. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 682.200.

"Gift Assistance" - Student assistance funds in the form of a scholarship, grant or tuition waiver, including but not limited to federal, state, institutional and private aid.

"Good Moral Character" - An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" - The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan(s)" - Loan assistance through the Federal Family Education Loan Program (FFELP) which includes the subsidized and unsubsidized federal ~~Federal~~ Stafford loan ~~loan~~, the federal ~~Federal~~ PLUS loan ~~loan~~, the federal ~~Federal~~ Supplemental Loans for Students (SUS), and the federal ~~Federal~~ Consolidation loan ~~loan~~ programs.

"Half-time Student" - In relation to scholarship and grant programs, an individual enrolled for six or more credit hours (but less than twelve credit hours) for either a semester or quarter ~~term~~ ~~term~~. In relation to the Federal Family Education Loan Program, half-time

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student is defined at 34 CFR 582.200.

"Holder" - An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"IDAPP" - The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Educational Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" - For the purposes of ISAC rules these-Rules, an independent student is defined by Section 480 of the Higher Education Act of 1965, as amended by P.L. 102-325. (See 20 U.S.C.A. 1087vv.) A non-independent-student-is-referred-to-as-a-Dependent-Student.

"Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization which enrolls students who participate in ISAC programs.

"Institution of Higher Learning" - An educational organization located in Illinois which:

provides at least an organized 2 year program of collegiate study in liberal arts or sciences, or both, directly applicable toward the attainment of an associate or baccalaureate degree, or, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is either:

operated by the State, or

operated publicly or privately, not for profit.

For otherwise eligible educational organizations which provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act).

"Institution of Record" - The postsecondary institution institution at which a student is enrolled enrolled and seeking a degree or certificate. This institution institution assumes primary responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" - The acronym for the Illinois Student Assistance

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Commission: the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15] to administer student assistance programs in-illinois.

"Mandatory Fees" - The charges assessed by an institution institution to each and every full-time student full-time-student for each term term. Application, graduation, laboratory, breakage and add/drop fees are specifically excluded. For the purposes of ISAC rules, tuition these-Rules, Tuition is not a mandatory fee Mandatory-Fee.

"Master Check" - A single check representing the loan proceeds for more than one borrower.

"Minority Student" - A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia; or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).

"Parent" - For the purposes of ISAC rules these-Rules, "parent Parent" is defined at 34 CFR 668.2.

"Pell Grant" - A federal gift assistance Federal--Gift-Assistance program administered by ED in accordance with Section 411 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1070a et seq.)

"PLUS" - An acronym for the federal Parent Loans for Undergraduate Students program which provides loans to parents of certain students, as authorized by Section 428B of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175].

"Qualified Applicant" - An applicant who meets the specific eligibility rules for the gift assistance for which s/he is applying.

"Regular School Year" - An eight to nine month period of time which includes two semester terms terms or three quarter terms terms. The regular school year Regular-School-year excludes summer terms terms. Terms that begin after April 15 and end before September 16 are considered summer terms terms.

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"Remedial Courses" - The course work that prepares a student for study at the postsecondary level and is must-be necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" -

A dependent student Dependent-Student is a resident Resident of Illinois if the parent Parent of the dependent-applicant Applicant, who is required by the instructions to complete the Free Application for Federal Student Aid (FAFSA), physically resides within the State of Illinois.

An independent student Independent-Student is a resident Resident of Illinois if the applicant Applicant physically resides within the State of Illinois (at the time of application), and has so resided for a period of twelve continuous, full months immediately prior to September 1 of the academic year Academic year for which assistance is requested.

When an applicant Applicant does not qualify as a resident Resident of Illinois under the preceding two paragraphs subsections and the applicant Applicant is a member of the U.S. Armed Forces or a foreign missionary Foreign-Missionary, or is the dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary Foreign-Missionary, then the applicant's Applicant's residency shall be determined in accordance with this paragraph subsection.

An applicant Applicant who is a member of the U.S. Armed Forces will be a resident Resident of Illinois if the applicant Applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within six months after of the conclusion of enlistment and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such enlistment.

An applicant Applicant who is a foreign missionary Foreign Missionary will be a resident Resident of Illinois if the applicant Applicant physically resided in Illinois for six continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within six months after of the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such missionary service.

The dependent-applicant Applicant shall be a resident Resident of

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Illinois notwithstanding the parent(s)' Parent(s) temporary physical absence from Illinois provided the parent(s) Parent(s) would be a resident Resident of Illinois under the preceding two paragraphs subsections.

The spouse-applicant Applicant shall be a resident Resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided the applicant Applicant can demonstrate that his/her absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's Applicant's domicile continues to be the State of Illinois.

"Rules" - The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" - An institutional policy which establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1091.)

"Service Academy" - The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy.

"SLS" - The acronym for the federal Supplemental Loans for Students Program, as authorized by Section 428A of the Higher Education Act, as amended (20 U.S.C.A. 1078-1). No new SLS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" - A postsecondary educational program designed to teach persons how to meet the needs of all children designated as handicapped, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit handicapping or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach handicapped children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Stafford" - The federal subsidized and unsubsidized loan programs as authorized by Sections 427, 428 and 428H of the Higher Education Act, as amended (20 U.S.C.A. 1078).

"Teacher Education Program" - An undergraduate postsecondary course of study which, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of

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- d) Postsecondary institutions institutions which participate in gift assistance programs Gift-Assistance-Programs shall annually submit to ISAC a copy of both their satisfactory academic progress policy Satisfactory-Academic-Progress-Policy and their tuition refund policy Tuition-Refund-Policy. Public postsecondary institutions institutions shall also submit a copy of their policy establishing a minimum grade point average for recipients of grants pursuant to the Illinois National Guard Grant Program and the Illinois Veteran Grant Program. Such submissions shall not be considered ISAC approval of such policies.
- e) Postsecondary institutions institutions which participate in gift assistance programs Gift-Assistance-Programs shall annually report their tuition tuition and fee charges, as well as advance payment requests, to ISAC on or before June 1 preceding each academic year Academic-Year.

1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance Gift-Assistance benefits. Failure to report the assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs Gift-Assistance-Programs.

2) The report shall match specific fee charges with the gift assistance Gift-Assistance program(s) which may finance the fee. Such categorizations by the institution Institution shall not be considered ISAC approval.

3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG) Programs may finance only a portion of certain fee charges. (See- 23 Ill. Adm. Code 2730.10(c) and 2733.20(f).)

A) Example: One fee finances both tuition tuition and text book expenses. Only the portion of the fee which is attributable to tuition tuition expenses may be financed with program benefits.

B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's Institution's chief fiscal officer.

f) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations⁷ and evaluation instruments.

g) Additional institutional eligibility requirements are contained in subsequent parts of the ISAC rules Rules.

h) Postsecondary institutions institutions may apply to participate in ISAC-guaranteed loan Guaranteed-loan programs in accordance with 23 Ill. Adm. Code 2720.

i) Postsecondary institutions institutions may apply to participate in ISAC gift assistance Gift-Assistance programs in accordance with this subsection (1).

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education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a Teacher Education Program.

"Teacher Shortage Discipline" - An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

"Term" - A unit of time for student attendance, including, but not limited to, a quarter or semester.

"Tuition" - The charge for instruction assessed by a postsecondary institution.

"Verification" - Procedures implemented by postsecondary institutions to verify the eligibility of applicants Applicants. The procedures are established by 34 CFR 668 et seq. and by ISAC rules these-Rules.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.30 General Institutional Eligibility Requirements

a) ISAC Program Participation Agreement
1) All institutions institutions shall execute an ISAC Program Participation Agreement in order to participate in ISAC gift assistance Gift-Assistance programs.

2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's Institution's students may receive benefits.

3) The ISAC Program Participation Agreement shall include provisions requiring institutions institutions to comply with statutes, rules Rules and regulations Regulations.

4) The ISAC Program Participation Agreement may be modified or terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.

b) With respect to ISAC student assistance programs, institutions institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled Enrolled recipients.

c) Institutions shall be subject to possible limitation, suspension limitation--Suspension or termination termination of eligibility for failure to comply with statutes, regulations, rules Regulations failure to comply with statutes, regulations, rules Regulations or procedures and for failure to maintain the standards required by this Section for initial participation. (See- 23 Ill. Adm. Code 2790.)

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- 1) The Commission approves participation in ISAC gift assistance Gift--Assistance programs for an institution institution rather than for specific academic programs within an institution.
- 2) Prior to applying for participation in ISAC gift assistance Gift Assistance programs, the institutional applicant Applicant must have authority to operate a postsecondary institution institution in Illinois. (See 23 Ill. Adm. Code 1030.)
- 3) Institutional applicants Applicants which are fully accredited by the North Central Association and have degree-granting authority may be approved to participate in ISAC gift assistance Gift Assistance programs provided the institution institution meets and maintains the requirements of subsections (i)(4)(C) and (D) below.
- 4) Institutional applicants Applicants which do not meet the requirements of subsection (i)(3) above may be approved to participate in ISAC gift assistance Gift-Assistance programs if the institution institution has:
 - A) obtained candidate status for North Central accreditation.
 - B) applied for and is seeking degree-granting authority.
 - C) obtained at least three letters indicating the transferability of academic credit from the applicant institution Applicant--institution to other institutions institutions. The letters must be from institutions institutions which are approved to participate in the Monetary Award Program (MAP) and are fully accredited by the North Central Association. (See 23 Ill. Adm. Code 2735.60.)
 - D) an adequate number of qualified persons to administer their responsibilities under the ISAC rules Rules. In determining whether an institution institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution institution.
- 5) Institutional applicants must also supply ISAC with audited financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)
- 6) Once approved to participate in ISAC gift assistance Gift Assistance programs by the Commission, an institution institution shall receive provisional eligibility for a minimum of five academic years.
 - A) On or before June 1 preceding each academic year Academic year, an institution institution with provisional eligibility shall annually submit three letters indicating

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- the transferability of academic credit to other institutions institutions for the following academic year Academic-year. These letters must be from ISAC-approved MAP institutions institutions which are fully accredited by the North Central Association.
- B) An institution institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution institution meets the requirements of subsection (i)(3) above and if there are no outstanding audit exceptions.
 - j) As a condition of eligibility for participation in ISAC student assistance programs, postsecondary institutions institutions shall have a valid Program Participation Agreement with ED (see Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.
 - k) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions institutions must also demonstrate administrative capability and financial responsibility, as defined by federal regulations. (See, e.g., 34 CFR 668.15 & 668.16.) An institution's institution's failure to meet and maintain those standards can lead to limitation, suspension limitation--Suspension or termination termination proceedings. (See 23 Ill. Adm. Code 2790.)
 - l) Institutions that have been assigned multiple OPE-ID numbers will be considered separate entities by ISAC.
 - m) An institution institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.40 General Applicant Eligibility Requirements

- a) Except as otherwise provided by this subsection, an applicant Applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.
 - 1) Eligibility for guaranteed loans Guaranteed--loans may be reinstated in accordance with federal regulations Regulations and the following provisions:
 - A) Eligibility for ISAC-guaranteed loans Guaranteed-loans will be reinstated when:
 - i) the debt has been paid in full;
 - ii) the borrower has made a "satisfactory repayment arrangement", in accordance with 34 CFR 682.200;
 - iii) the borrower's prior defaulted loan(s) has been rehabilitated, in accordance with 34 CFR 682.405; or

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- iv) the borrower has made payments on a defaulted loan(s) to consolidate that loan(s) in accordance with 34 CFR 682.201.
- B) Borrowers are eligible to use subsection subsections (A)(ii) and (A)(iii) above only one time during the entire life of any loan guaranteed by ISAC.
- C) Eligibility for ISAC-administered gift assistance Gift Assistance will be reinstated for current and future terms when the applicant Applicant has maintained a satisfactory repayment record for at least six consecutive months or has met the requirements of subsection (a)(1)(A) above. Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant Applicant, and the frequency of the applicant's Applicant's contact with ISAC.
- 2) An applicant Applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733j) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C) above, must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.
- b) No applicant Applicant shall receive ISAC-administered assistance if the applicant Applicant owes a refund for any ISAC-administered gift assistance Gift-Assistance, a federal Federal Pell Grant, or a federal Federal Supplemental Educational Opportunity Grant (SEOG) (20 U.S.C.A. 1070(b)).
- c) An applicant Applicant shall, upon request, provide documentation to establish and verify eligibility. (See: Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.
- d) An applicant Applicant supplying fraudulent data shall be denied assistance and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.
- e) All applicants Applicants must submit their Social Security number Number.
- f) Recipients who cease to be residents Residents of Illinois after notification of eligibility may complete the academic year Academic Year with the assistance awarded.
- g) Unless otherwise provided, benefits under gift assistance Gift Assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor. Benefits under gift assistance Gift-Assistance programs are generally limited to the regular school year Regular-School-Year. If funding is available, assistance for summer terms Terms shall be awarded separately.

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- h) When gift assistance Gift-Assistance eligibility is limited to a specified number of term term payments, the eligibility cap is calculated in accordance with this subsection.
- 1) For each semester term term of full-time payment benefits, the recipient is assessed six eligibility units. For each quarter term term of full-time payment benefits, the recipient is assessed four eligibility units.
- 2) For each semester term term of half-time payment benefits, the recipient is assessed three eligibility units. For each quarter term term of half-time payment benefits, the recipient is assessed two eligibility units.
- 3) Sixty eligibility units are the equivalent of payments for ten semesters/fifteen quarters of full-time benefits.
- 4) Forty-eight eligibility units are the equivalent of payments for eight semesters/twelve quarters of full-time benefits.
- i) An applicant Applicant shall comply with Selective Service registration requirements, pursuant to 34 CFR 668.31 et seq.
- j) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), an applicant Applicant must be maintaining satisfactory academic progress Satisfactory-Academic-Progress in accordance with the institution's institution's policy.
- k) Students enrolled Enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance Gift-Assistance benefits, except for Illinois National Guard Grant and Illinois Veteran Grant program recipients.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.50 Determining Applicant Eligibility

- a) The evaluation of applicant Applicant eligibility is the responsibility of both the institution institution and ISAC.
- b) No applicant Applicant is announced eligible for assistance by ISAC unless the application establishes prima facie eligibility. ISAC consults with other appropriate state and federal agencies in the process of reviewing application data. Such agencies include, but are not limited to, the U.S. Department of Education (ED), U.S. Internal Revenue Service (IRS), U.S. Immigration and Naturalization Service (INS), Illinois Department of Public Aid, Illinois Department of Revenue, and Illinois Department of Children and Family Services.
- c) When requesting payment for ISAC gift assistance Gift-Assistance programs, the postsecondary institution institution must certify that the applicants Applicants are eligible for the assistance. If an institution institution subsequently determines a student is no longer eligible for all or part of the awarded assistance, the institution institution must inform ISAC and submit the appropriate refund within

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- 60 days after the receipt of payment or the end of a term term, whichever is later.
- d) When requesting payment of benefits, institutions Institutions shall certify (in accordance with ISAC rules Rules and/or federal regulations Federal-Regulations) whether an applicant Applicant is eligible based upon enrollment in a particular academic program.
 - e) If an institution Institution erroneously certifies an applicant Applicant to be eligible, ISAC will recover the erroneous payment from the institution Institution. Any student who obtained ISAC-administered funds by submitting inaccurate information to an institution Institution must tender restitution to the institution Institution to be eligible for ISAC assistance at that institution Institution.
 - f) If an applicant Applicant is selected for verification Verification in conjunction with federal student assistance, that applicant Applicant shall also be verified for ISAC-administered programs. A selected applicant Applicant must be verified for ISAC programs even if the applicant Applicant is ineligible for federal student assistance.
 - g) Because ED verification Verification procedures do not include procedures for verifying a student as a resident Resident of Illinois, the following provisions shall be followed by the institutions Institutions.
 - 1) Notwithstanding the requirements of subsection (g)(2) below, residency verification shall not be required for students who received payment of a MAP award during the previous academic year Academic-Year.
 - 2) Residency status shall be verified for each applicant Applicant who is selected for verification Verification and meets one of the following criteria:
 - A) the applicant Applicant has changed dependency status and has become an independent Independent student; or
 - B) the applicant Applicant has not been enrolled Enrolled in an ISAC-approved MAP institution Institution or an ISAC-approved Illinois high school High-School (see Section 2700.30) during the preceding twelve months; or
 - C) the institution Institution has any information which indicates the applicant Applicant may not be a resident Resident of Illinois.
 - 3) One or more of the documents listed below may provide proof that an applicant Applicant (or parent Parent) is an Illinois resident Resident, as defined in Section 2700.20. For an independent student applicant Independent--Student--Applicant, the dates recorded on the documents must indicate the applicant Applicant has resided in Illinois for the relevant twelve continuous, full months.
 - A) A valid State state or federal income tax return
 - B) Illinois high school High-School or college transcript
 - C) Illinois driver's license Driver's-License

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- D) Utility or rent bills in the applicant's Applicant's (or parent's Parent's) name
 - E) Illinois auto registration Auto-Registration card
 - F) Residential lease in the applicant's Applicant's (or parent's Parent's) name
 - G) Wage and tax statements Tax-Statements (IRS Form W-2)
 - H) Statement of benefits history from the Illinois Department of Public Aid
 - I) State of Illinois identification card Identification--Card issued by the Secretary of State
 - J) Statement of benefits from the Illinois Department of Employment Security.
- 4) If an applicant Applicant is a resident Resident of Illinois, but the institution Institution cannot document this fact in accordance with subsection (g)(2) above, the applicant Applicant or the institution Institution may verify residency through ISAC's appeal process. (See Section 2700.70.)
 - h) Institutions may request first term term payment even though verification Verification is not yet complete. If, after verification Verification, an ISAC payment adjustment is appropriate, institutions Institutions must submit the appropriate refund. If verification Verification is not completed within 60 days after the conclusion of the regular school year Regular--School--Year, the institution Institution shall return the first term term payment to ISAC. For other than the first term term of eligibility in an academic year Academic-Year, the verification Verification process must be completed before the institution Institution may request payment.
 - i) When an institution Institution adjusts an applicant's Applicant's eligibility pursuant to Title IV, Part F, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk et seq.), the institution Institution shall retain documentation which demonstrates the appropriateness of such adjustment.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.55 Electronic Data Exchanges

- a) ISAC will provide eligible institutions Institutions and lenders Lenders with electronic data regarding applicants Applicants. In return, institutions Institutions and lenders Lenders will provide ISAC with electronic data on applicants Applicants as required by ISAC rules these-Rules.
- b) Information on the availability of electronic data exchanges shall be provided in ISAC publications. To participate in electronic data exchanges, the institution Institution or lender Lender shall:
 - 1) meet the eligibility guidelines established by ISAC;
 - 2) execute a written agreement with ISAC, outlining the conditions

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- of participation; and
- 3) select a machine readable medium for teletransmission.
- c) In the event the medium is lost, damaged, mutilated or erased, the party responsible shall bear the cost of replacing or restoring the medium.
- d) ISAC shall provide program documentation and reasonable technical assistance related to data exchanges. The data and program documentation shall be confidential and shall not be used, sold, or shared for any purpose other than those directly related to the internal operations of the institution, lender ~~institution~~, ~~bender~~ or ISAC.
- e) Institutions and lenders ~~benders~~ participating in direct teletransmission data exchanges shall be provided with security procedures including access codes and passwords. Institutions and lenders ~~benders~~ shall be responsible for implementing appropriate safeguard procedures to protect the integrity of the data transmitted or received.
- f) Institutions and lenders ~~benders~~ shall comply with all applicable federal and State ~~state~~ laws which regulate the privacy of, and access to, ~~applicant~~ ~~applicant~~ data. (See, e.g., the Family Educational Rights and Privacy Act (20 U.S.C.A. 1232g); the Freedom of Information Act [5 U.S.C.A. 1401]; Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094); and 34 CFR 682.610.)

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.60 Audits and Investigations

- a) ISAC shall audit participating postsecondary institutions ~~institutions~~. Postsecondary institutions ~~institutions~~ shall be audited once every three years (schedule permitting) unless more frequent audits appear to be necessary due to circumstances such as: substantial increases in student enrollment, evidence that the institution ~~institution~~ is experiencing difficulty meeting the requirements of ISAC rules ~~these rules~~ or federal regulations ~~Federal Regulations~~, or discrepancies in past audits conducted by ISAC. Institutions with provisional eligibility shall be audited annually, schedule permitting. Secondary institutions ~~institutions~~ may be audited when ISAC has a complaint indicating an audit is appropriate. Audits shall usually be announced, but ISAC reserves the right to make unannounced audits.
- b) ISAC shall have access to all records related to ISAC programs. These records include, but are not limited to: admission records, financial records, registration records, attendance and enrollment records, financial aid transcripts, grades, academic transcripts and records maintained in accordance with ED verification procedures ~~Verification Procedures~~.

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- c) ISAC audits shall be conducted in accordance with generally-accepted audit standards as promulgated by the U.S. General Accounting Office publication "Standards for Audit of Governmental Organizations, Program Activities and Functions," where applicable.
- d) The ~~institution~~ ~~institution~~ shall be extended an opportunity to review and comment on the auditor's preliminary findings before the final audit report is submitted to the ~~institution's~~ ~~institution's~~ chief executive officer. Audit findings may be appealed in accordance with Section 2700.70, Appeal Procedures.
- e) If an audit identifies gift assistance ~~Gift--Assistance~~ funds which were claimed on behalf of ineligible students, the funds shall be deducted from subsequent payments to the ~~institution~~ ~~institution~~.
- f) ISAC may visit institutions ~~institutions~~ to conduct investigations related to fraud and abuse of ISAC programs. Campus administrators and/or campus security police may be consulted as part of any ~~ongoing~~ ~~on-going~~ investigation.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2700.70 Appeal Procedures

- a) Complainants (including applicants, ~~institutions~~ ~~institutions~~ ~~institutions~~ and lenders) may appeal an ISAC administrative decision in accordance with this Section. Complainants must submit their appeal within 60 days after of the date of an administrative decision by ISAC. If a complainant fails to pursue an appeal within 60 days after of an administrative decision, including administrative decisions rendered under subsections (d) and (e) below, the complainant forfeits all appeal rights.
- b) All appeals shall be submitted in writing, must specifically invoke the use of ISAC's appeal process and must indicate the specific issue(s) to be reviewed. Each complainant shall be sent a written response within fifteen working days after of receipt of their appeal.
- 1) A complainant may submit any evidence which the complainant believes relevant to the issue appealed. If ISAC is not able to make a determination based on the information provided, the complainant may be requested to supply additional written materials related to the issue (e.g., income tax returns, ISAC correspondence).
- 2) The standard of review is whether, based on the manifest weight of the evidence, the administrative decision(s) being appealed is consistent with statutes, rules ~~Rules~~ and regulations ~~Regulations~~ relevant to the issue appealed.
- c) At the complainant's discretion, a complainant may be represented by legal counsel. Except for appeals pursuant to Section 2700.50 (g)(4) (Illinois residence) and 23 Ill. Adm. Code 2760.40(a) (State Scholar designations), ~~applicant~~ ~~Applicant~~ appeals shall not be written or

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submitted by a lender bender or an institution institution. A lender bender or an institution institution may advise an applicant applicant on appeal issues and opportunities.

- d) The complainant shall submit an appeal directly to the appropriate ISAC manager Manager. An appeal may be pursued through the appropriate sequence of ISAC's administrative levels culminating with an appeal to the Executive Director. (See: 2 Ill. Adm. Code 5375. Appendix A, Organization Chart.)

- e) Adjudicatory hearings are available for complainants who have first used the procedures of subsection (d) of this Section. A hearing shall be requested, in writing, within 60 days after the date of the Executive Director's appeal decision.

- 1) Within 30 days after the receipt of a hearing request, the Executive Director shall schedule a hearing. The hearing shall be conducted in accordance with 23 Ill. Adm. Code 2790.140, Hearings.

- 2) The independent hearing officer shall issue a decision based upon what transpired at the hearing, in accordance with and subject to 23 Ill. Adm. Code 2790.70, Decisions.

- 3) If necessary, the hearing officer's decision can be appealed to the Commission.

- f) Commission dispositions, as provided for by 23 Ill. Adm. Code 2790.70(e), are considered final administrative decisions as defined by the Administrative Review Law [735 ILCS 5/Art. III]. The complainant shall be sent written notice of the final administrative decision within ten working days after the Commission's disposition of the appeal.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Grant Program for Dependents of Police or Fire Officers

- 2) Code Citation: 23 Ill. Adm. Code 2732

- 3) Section Numbers: Proposed Action:

2732.10 Repealed

2732.20 Repealed

2732.30 Repealed

2732.40 Repealed

2732.50 Repealed

- 4) Statutory Authority: Implementing Section 55 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/55 and 20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note,

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however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

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NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2732

GRANT PROGRAM FOR DEPENDENTS OF
POLICE OR FIRE OFFICERS (REPEALED)

Section

2732.10 Summary and Purpose

2732.20 Definitions

2732.30 Applicant Eligibility and Procedures

2732.40 Program Procedures

2732.50 Institutional Procedures

AUTHORITY: Implementing Section 55 and authorized by Section 20(f) of the Higher Education Student Assistance Act [10 ILCS 947/55 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20873, effective January 1, 1986; amended at 11 Ill. Reg. 3239, effective January 29, 1987; transferred from Chapter IX, 23 Ill. Adm. Code 1732 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2732 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17866; amended at 14 Ill. Reg. 10585, effective July 1, 1990; amended at 17 Ill. Reg. 10620, effective July 1, 1993; amended at 18 Ill. Reg. 10342, effective July 1, 1994; amended at 20 Ill. Reg. 10191, effective July 15, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2732.10 Summary and Purpose

- a) If an Illinois Police Officer or Fire Officer is killed or sustains an injury in a Permanent Disability in the line of duty, the Officer's Spouse and Children may receive grant assistance under this program, without regard to financial need.
- b) This Part establishes Rules which govern the Grant Program for Dependents of Police or Fire Officers Grant Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 20 Ill. Reg. 10191, effective July 15, 1996)

Section 2732.20 Definitions

"Child or Children" - means any natural child, legally adopted child or child in the legal custody of the Police or Fire Officer at the time of the officer's death or Permanent Disability. Step-children are not eligible.

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"Dependent" - means a Child or Spouse of a Police or Fire Officer.

"Officer" - means a Police or Fire Officer who is killed or sustains an injury resulting in a Permanent Disability in the line of duty while employed by, or in the voluntary service of, this State or any public entity in this State.

"Permanent Disability" - for the purposes of this Part, means a mental or physical condition that is reasonably certain to continue throughout the lifetime of the Officer, resulting in a 90% to 100% incapacity to perform substantial and material duties previously discharged, and caused by an injury sustained in the line of duty, as established by the certified statement of a licensed physician.

"Recipient" - for the purposes of this Part, means an individual who receives assistance through this Program.

"Spouse" - means a husband or wife of the Officer at the time of the Officer's death or Permanent Disability. For the purposes of this Program, persons involved in common law relationships and those who are divorced or remarried are not considered Spouses.

(Source: Amended at 20 Ill. Reg. 10191, effective July 15, 1996)

Section 2732.30 Applicant Eligibility and Procedures

- a) All first-time Applicants shall complete an application which includes biographical information regarding the deceased or disabled Officer (e.g., name, where employed, position title, date of death or disability, etc.) and shall be accompanied by a certified death certificate or the certified statement of a licensed physician.
- b) Once eligibility has been established for one member of a family, it is established for all eligible Dependents in the family. Thereafter, a simplified application will be required from each student on an annual basis.
- c) Applications must be filed prior to the end of the Academic Year for which grant assistance is being requested.
- d) If an application is incomplete, notice will be sent to the Applicant. The Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date it was completed and received in ISAC's Deerfield office.
- e) A qualified Applicant shall:
 - 1) be or have been a Dependent of an Officer;
 - 2) be a United States Citizen or Eligible Noncitizen;
 - 3) be enrolled on at least a half-time basis at an Institution that is approved for participation in the Monetary Award Program (MAP) (see 23 Ill. Adm. Code 2735); and

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- 4) be making Satisfactory Academic Progress toward a degree or certificate.
- f) An Applicant need not be a Resident of Illinois at the time of enrollment and does not have to demonstrate financial need to receive this grant.
- g) Grants are applicable toward Tuition and Mandatory Fees.
 - 1) A Recipient attending a public Institution in Illinois shall receive a grant that shall not exceed the cost of Tuition and Mandatory Fees at that Institution.
 - 2) A Recipient attending a private Institution in Illinois may receive a grant sufficient to pay the costs of Tuition and Mandatory Fees, provided that the award does not exceed the maximum grant payable to a student Enrolled in the most expensive comparable program of study at a public Institution.
- h) Notice of the grant award will be sent to each Recipient. Applicants not receiving awards will also be notified.
- i) Benefits are limited to the full-time enrollment equivalent of eight semesters or twelve quarters of payment for undergraduate or graduate study.
- j) A student who receives a grant under this program and who is subsequently determined to be ineligible shall repay the Institution the total amount of the funds received during the period in which s/he was ineligible.
- k) Grant Recipients receive payment through their Institution of Record.
- l) If an Applicant withdraws from enrollment after the expiration of the Tuition refund/withdrawal adjustment period, the Applicant shall receive a grant for costs incurred up to the Term award provided that the Institution's Tuition refund policy indicates the Applicant had incurred such charges.
- m) Recipients shall notify ISAC, in writing, within ten days of any changes affecting the Dependent's name, address or enrollment status.

(Source: Added at 20 Ill. Reg. 10191, effective July 15, 1996)

Section 2732.40 Program Procedures

- a) ISAC will determine an Applicant's eligibility from the biographical data supplied on the application and the supporting documentation.
- b) Grant payment is subject to the limits of dollars appropriated for this Program by the General Assembly.
- c) ISAC pays grant funds directly to the Institution of Record in the name of the student.
- d) ISAC will disburse grant funds in multiple installments, depending upon the number of Terms financed by the grant; except that multiple disbursements will not be required in cases where the Applicant's eligibility is not determined until the final Term of the Academic Year for which the grant is being awarded or when a student is attending only one Term and the maximum award does not exceed the

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student's cost of attendance.

2) Within 30 days after receiving payment, the Institution shall credit the award toward the Recipient's Tuition and Mandatory Fee charges for the appropriate Term.

e) In the event that funds are insufficient to make awards to all eligible Applicants, ISAC will make award determinations on the basis of the dates that the completed applications were received and the following:

1) First semester and first quarter awards will be paid, or prorated if funding is insufficient to pay all grants in full.

2) If funds remain after first semester and first quarter awards are paid, then second semester/second and third quarter awards will be paid, or prorated if funds remaining are insufficient to pay all grants in full.

3) If funds remain after second semester/second and third quarter awards are paid, summer Term awards will be paid, or prorated if funding is insufficient to pay all grants in full.

4) In the event that funds are not exhausted, awards for the difference between in-district/state and out-of-district/state Tuition will be paid, or prorated if funds remaining are insufficient to pay all such grants in full.

(Source: Added at 20 Ill. Reg. 10191, effective July 15, 1996)

Section 2732.50 Institutional Procedures

a) The Institution shall certify the Applicant's award amount within the time frame requested by ISAC, which shall be no sooner than 30 days unless a more rapid response is necessary to expend appropriated funds prior to the end of the Academic Year.

b) Institutional packaging of assistance:

1) If the grant Recipient receives other assistance targeted specifically for Tuition and fees, the combined assistance shall not exceed the total Tuition and fee expenses incurred by the student and if so, the Institution shall reduce one of the awards accordingly.

2) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's Gift Assistance may not exceed the student's cost of attendance at that Institution. Any excess Gift Assistance is considered an overaward and the Institution is required to notify ISAC to reduce this grant and/or other Gift Assistance to prevent such an overaward.

3) If the Applicant is eligible for assistance under MAP, the Applicant may not be eligible for a full MAP grant because the Police or Fire Officer grant must be factored into the financial aid package prior to receiving MAP Gift Assistance. The Institution, however, may request a MAP grant to finance Tuition and Mandatory Fee expenses not paid by this program.

c) Institutional Processing of Payments:

1) Upon receipt of grant funds, the Institution shall make sure that the Recipient continues to be Enrolled on at least a half-time

basis.

3) If the Recipient withdraws from enrollment, the Institution shall return the amount of the grant to ISAC for the semester(s) or quarter(s) not attended.

4) Institutions are required to reconcile payments received through this Program. Any payments received by the Institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic Term. Refunds can be caused by clerical errors, retroactive withdrawals, and other miscellaneous reasons. Should the payment arrive after the end of the Term, the Institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.

5) Award payments made in the name of one Recipient cannot be applied to another Recipient at the same Institution. A refund of the payment must be submitted to ISAC and a supplemental request must be made and processed for the proper Recipient.

6) If the Institution does not submit refunds as required, ISAC will deduct outstanding refunds from subsequent payments to the Institution.

(Source: Added at 20 Ill. Reg. 10191, effective July 15, 1996)

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- 1) Heading of the Part: Grant Program for Dependents of Police or Fire Officers

- 2) Code Citation: 23 Ill. Adm. Code 2732

- 3) Section Numbers: Proposed Action:
 2732.10 New
 2732.20 New
 2732.30 New
 2732.40 New

- 4) Statutory Authority: Implementing Section 55 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/55 and 20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

No substantive changes have been made to this program. However, due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission

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1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2732

GRANT PROGRAM FOR DEPENDENTS OF POLICE OR FIRE OFFICERS

Section	Summary and Purpose
2732.10	Applicant Eligibility
2732.20	Program Procedures
2732.30	Institutional Procedures
2732.40	

AUTHORITY: Implementing Section 55 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/55 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20873, effective January 1, 1986; amended at 11 Ill. Reg. 3239, effective January 29, 1987; transferred from Chapter IX, 23 Ill. Adm. Code 1732 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2732 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17866; amended at 14 Ill. Reg. 10585, effective July 1, 1990; amended at 17 Ill. Reg. 10620, effective July 1, 1993; amended at 18 Ill. Reg. 10342, effective July 1, 1994; amended at 20 Ill. Reg. 10191, effective July 15, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2732.10 Summary and Purpose

- a) If an Illinois police officer or fire officer is killed or sustains an injury resulting in a permanent disability in the line of duty, the officer's spouse and children may receive grant assistance under this program, without regard to financial need.
- b) This Part establishes rules which govern the Grant Program for Dependents of Police or Fire Officers. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2732.20 Applicant Eligibility

- a) A qualified applicant shall:

- 1) have been the natural child, legally adopted child, or child in the legal custody of an Illinois police or fire officer at the time of the officer's death in the line of duty or injury in the line of duty which resulted in a permanent disability; or have been a husband or wife of the Illinois police or fire officer at the time of his/her death in the line of duty or injury in the line of duty which resulted in a permanent disability;

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- 2) be a United States citizen or eligible noncitizen;
- 3) be enrolled on at least a half-time basis at an institution that is approved for participation in the Monetary Award Program (MAP) (see Ill. Adm. Code 2735); and
- 4) be making satisfactory academic progress toward a degree or certificate.
- b) An applicant need not be a resident of Illinois at the time of enrollment.
- c) An applicant does not have to demonstrate financial need to receive this grant.
- d) The surviving spouse of an Illinois police or fire officer killed in the line of duty who later remarries is ineligible. If the spouse of an Illinois police or fire officer permanently disabled in the line of duty later divorces, s/he is also ineligible.
- e) A step-child not in the legal custody of the Illinois police or fire officer at the time of the officer's death in the line of duty or injury in the line of duty which resulted in a permanent disability is ineligible.

Section 2732.30 Program Procedures

- a) All first-time applicants shall complete an application which includes biographical information regarding the deceased or disabled officer (e.g., name, where employed, position title, date of death or disability, etc.) and the application shall be accompanied by a certified death certificate or the certified statement of a licensed physician. The physician's statement must certify that:
 - 1) there is a mental or physical condition that is reasonably certain to continue throughout the lifetime of the officer, resulting in a 90% to 100% incapacity from performing substantial and material duties previously discharged; and
 - 2) the condition was caused by an injury sustained in the line of duty.
- b) Once eligibility has been established for one member of a family, it is established for all qualified applicants in the family. Thereafter, a simplified application will be required from each student on an annual basis.
- c) Applications must be filed prior to the end of the academic year for which grant assistance is being requested.
- d) If an application is incomplete, notice will be sent to the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date it was completed and received in ISAC's Deerfield office.
- e) Grants are applicable toward tuition and mandatory fees.
 - 1) A recipient attending a public institution in Illinois shall receive a grant that shall not exceed the cost of tuition and mandatory fees at that institution.

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- 2) A recipient attending a private institution in Illinois may receive a grant sufficient to pay the costs of tuition and mandatory fees, provided the award does not exceed the maximum grant payable to a student enrolled in the most expensive comparable program of study at a public institution.
- f) Notice of the grant award will be sent to each recipient. Applicants not receiving awards will also be notified.
- g) Benefits are limited to the full-time enrollment equivalent of eight semesters or twelve quarters of payment for undergraduate or graduate study.
- h) A student who receives a grant under this program and who is subsequently determined to be ineligible shall repay the institution the total amount of the funds received during the period in which s/he was ineligible.
- i) Recipients receive payment through their institution of record.
- j) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive a grant for costs incurred up to the term award provided that the institution's tuition refund policy indicates the recipient had incurred such charges.
- k) Recipients shall notify ISAC, in writing, within fifteen days, of any name, address or enrollment status changes.
- l) ISAC pays grant funds directly to the institution of record in the name of the recipient.
- m) ISAC will disburse grant funds in multiple installments, depending upon the number of terms financed by the grant; except that multiple disbursements will not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the grant is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- n) Grant payment is subject to the limits of dollars appropriated for this program by the General Assembly.
- o) In the event that funds are insufficient to make awards to all eligible applicants, ISAC will make award determinations on the basis of the dates that the completed applications were received and the following:
 - 1) first semester and first quarter awards will be paid, or prorated if funding is insufficient to pay all grants in full;
 - 2) if funds remain after first semester and first quarter awards are paid, then second semester/second and third quarter awards will be paid, or prorated if funds remaining are insufficient to pay all grants in full;
 - 3) if funds remain after second semester/second and third quarter awards are paid, summer term awards will be paid, or prorated if funding is insufficient to pay all grants in full; and
 - 4) if funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state

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and out-of-district/state tuition will be paid, or prorated if funds remaining are insufficient to pay all such grants in full.

Section 2732.40 Institutional Procedures

a) The institution shall certify the applicant's award amount within the time frame requested by ISAC, which shall be no sooner than 30 days unless a more rapid response is necessary to expend appropriated funds prior to the end of the academic year.

b) Institutional Packaging of Assistance:

- 1) If the recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred by the student; if it does, the institution shall reduce one of the awards accordingly;
- 2) notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the student's cost of attendance at that institution. Any excess gift assistance is considered an overaward and the institution is required to notify ISAC to reduce this grant and/or other gift assistance to prevent such an overaward; and
- 3) if the recipient is eligible for assistance under MAP, the recipient may not be eligible for a full MAP grant because the police or fire officer grant must be factored into the financial aid package prior to receiving MAP gift assistance. The institution, however, may request a MAP grant to finance tuition and mandatory fee expenses not paid by this program.

c) Institutional Processing of Payments:

- 1) When submitting payment requests, the institution shall verify that the recipient meets the requirements of Section 2732.20 (a)(3) and (4), Applicant Eligibility.
- 2) Within 30 days after receiving payment, the institution shall credit the award toward the recipient's tuition and mandatory fee charges for the appropriate term.
- 3) Institutions are required to reconcile payments received through this program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.
- 4) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment must be submitted to ISAC and a supplemental request must be made and processed for the proper recipient.
- 5) If the institution does not submit refunds as required, ISAC will deduct outstanding refunds from subsequent payments to the institution.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Grant Program for Dependents of Correctional Officers

2) Code Citation: 23 Ill. Adm. Code 2731

Section Numbers:	Proposed Action:
2731.10	Repealed
2731.20	Repealed
2731.30	Repealed
2731.40	Repealed
2731.50	Repealed

4) Statutory Authority: Implementing Section 60 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/60 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note,

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however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this Proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2731

GRANT PROGRAM FOR DEPENDENTS OF CORRECTIONAL OFFICERS (REPEALED)

Section	Summary and Purpose
2731.10	Definitions
2731.20	Applicant Eligibility and Procedures
2731.30	Program Procedures
2731.40	Institutional Procedures
2731.50	

AUTHORITY: Implementing Section 60 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/60 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20780, effective January 1, 1986; transferred from Chapter IX, 23 Ill. Adm. Code 1731 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2731 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17853; amended at 14 Ill. Reg. 10534, effective July 1, 1990; amended at 17 Ill. Reg. 10559, effective July 1, 1993; amended at 18 Ill. Reg. 10299, effective July 1, 1994; amended at 20 Ill. Reg. 10183, effective July 15, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2731.10 Summary and Purpose

- a) If a Correctional Officer employed by the Illinois Department of Corrections in a security position is killed or sustains an injury resulting in a Permanent Disability in the line of duty, the Correctional Officer's Spouse and Children may receive grant assistance under this program, without regard to financial need.
- b) This Part establishes Rules which govern the Correctional Officer's Grant Program for Dependents of Correctional Officers. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 20 Ill. Reg. 10183, effective July 15, 1996)

Section 2731.20 Definitions

"Child or Children" - means any natural child, legally adopted child or child in the legal custody of the Correctional Officer at the time of the officer's death or Permanent Disability. Step-children are ineligible.

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"Correctional Officer" - means an employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, who has responsibility for inmates of any correctional institution under the jurisdiction of the Department and who is killed or sustains an injury resulting in a Permanent Disability in the line of duty.

"Dependent" - means a Child or Spouse of a Correctional Officer.

"Permanent Disability" - for the purposes of this Part, means a mental or physical condition that is reasonably certain to continue throughout the lifetime of the Correctional Officer, resulting in a 90% to 100% incapacity from performing substantial and material duties previously discharged, and caused by an injury sustained in the line of duty, as established by the certified statement of a licensed physician.

"Recipient" - for the purposes of this Part, means an individual who receives assistance through this Program.

"Spouse" - means a husband or wife of the Correctional Officer at the time of the officer's death or Permanent Disability. For the purposes of this Program, persons involved in common law relationships and those who are divorced or remarried are not considered Spouses.

(Source: Amended at 20 Ill. Reg. 10183, effective July 15, 1996)

Section 2731.30 Applicant Eligibility and Procedures

- a) All first-time Applicants shall complete an application which includes biographical information regarding the deceased or disabled Correctional Officer (e.g., name, where employed, position title, date of death or disability, etc.) and shall be accompanied by a certified death certificate or the certified statement of a licensed physician.
- b) Once eligibility has been established for one member of a family, it is established for all eligible Dependents in the family. Thereafter, a simplified application will be required from each student on an annual basis.
- c) Applications must be filed prior to the end of the Academic Year for which grant assistance is being requested.
- d) If an application is incomplete, notice will be sent to the Applicant. The Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date it was completed and received in ISAC's Deerfield office.
- e) A qualified Applicant shall:
 - 1) be or have been a Dependent of a Correctional Officer;
 - 2) be a United States Citizen or Eligible Noncitizen;

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- 3) be enrolled on at least a half-time basis at an Institution that is approved for participation in the Monetary Award Program (MAP) (see 23 Ill. Adm. Code 2735); and
- 4) be making Satisfactory Academic Progress toward a degree or certificate.
- f) An Applicant need not be a Resident of Illinois at the time of enrollment and does not have to demonstrate financial need to receive this grant.
- g) Grants are applicable toward Tuition and Mandatory Fees.
 - 1) A Recipient attending a public Institution in Illinois shall receive a grant that shall not exceed the cost of Tuition and Mandatory Fees at that Institution.
 - 2) A Recipient attending a private Institution in Illinois may receive a grant sufficient to pay the costs of Tuition and Mandatory Fees, provided that the award shall not exceed the maximum grant payable to a student Enrolled in the most expensive comparable program of study at a public Institution.
- h) Notice of the grant award shall be sent to each Recipient. Applicants not receiving awards will also be notified.
- i) Benefits are limited to the full-time enrollment equivalent of eight semesters or twelve quarters of payment for undergraduate or graduate study.
- j) A student who receives a grant under this program and who is subsequently determined to be ineligible shall repay the Institution the total amount of the funds received during the period in which s/he was ineligible.
- k) Grant Recipients receive payment through their Institution of Record.
- l) If an Applicant withdraws from enrollment after the expiration of the Tuition refund/withdrawal adjustment period, the Applicant shall receive a grant for costs incurred up to the Term award provided that the Institution's Tuition refund policy indicates the Applicant had incurred such charges.
- m) Recipients shall notify ISAC, in writing, within ten days of any changes affecting the Dependent's name, address or enrollment status.

(Source: Added at 20 Ill. Reg. 10183, effective July 15, 1996)

Section 2731.40 Program Procedures

- a) ISAC will determine an Applicant's eligibility from the biographical data supplied on the application and the supporting documentation.
- b) Grant payment is subject to the limits of dollars appropriated for this program by the General Assembly.
- c) ISAC pays grant funds directly to the Institution of Record in the name of the student.
- d) ISAC will disburse grant funds in multiple installments, depending upon the number of Terms financed by the grant; except that multiple disbursements will not be required in cases where the Applicant's

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eligibility is not determined until the final Term of the Academic Year for which the grant is being awarded or when a student is attending only one Term and the maximum award does not exceed the student's cost of attendance.

e) In the event that funds are insufficient to make awards to all eligible Applicants, ISAC will make award determinations on the basis of the dates that the completed applications were received and the following:

- 1) First semester and first quarter awards will be paid, or prorated if funding is insufficient to pay all grants in full.
- 2) If funds remain after first semester and first quarter awards are paid, then second semester/second and third quarter awards will be paid, or prorated if funds remaining are insufficient to pay all grants in full.
- 3) If funds remain after second semester/second and third quarter awards are paid, summer Term awards will be paid, or prorated if funding is insufficient to pay all grants in full.
- 4) In the event that funds are not exhausted, awards for the difference between in-district/state and out-of-district/state Tuition will be paid, or prorated if funds remaining are insufficient to pay all such grants in full.

(Source: Added at 20 Ill. Reg. 10183, effective July 15, 1996)

Section 2731.50 Institutional Procedures

a) The Institution shall certify the Applicant's award amount within the time frame requested by ISAC, which shall be no sooner than 30 days unless a more rapid response is necessary to expend appropriated funds prior to the end of the Academic Year.

b) Institutional packaging of assistance:

- 1) If the grant Recipient receives other assistance targeted specifically for Tuition and fees, the combined assistance shall not exceed the total Tuition and fee expenses incurred by the student and if so, the Institution shall reduce one of the awards accordingly.
- 2) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's Gift Assistance may not exceed the student's cost of attendance for that Institution. Any excess Gift Assistance is considered an overaward and the Institution is required to notify ISAC to reduce this grant and/or other Gift Assistance to prevent such an overaward.
- 3) If the Applicant is eligible for assistance under MAP, the Applicant may not be eligible for a full MAP grant because the Correctional Officer grant must be factored into the financial aid package prior to receiving MAP Gift Assistance. The Institution, however, may request a MAP grant to finance Tuition and Mandatory Fee expenses not paid by this program.

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NOTICE OF PROPOSED REPEALER

c) Institutional Processing of Payments:

- 1) Upon receipt of grant funds, the Institution shall make sure that the Recipient continues to be Enrolled on at least a half-time basis.
- 2) Within 30 days of receiving payment, the Institution shall credit the award toward the Recipient's Tuition and Mandatory Fee charges for the appropriate Term.
- 3) If the Recipient withdraws from enrollment, the Institution shall return the amount of the grant to ISAC for the semester(s) or quarter(s) not attended.
- 4) Institutions are required to reconcile payments received through this Program. Any payments received by the Institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic Term. Refunds can be caused by clerical errors, retroactive withdrawals, and other miscellaneous reasons. Should the payment arrive after the end of the Term, the Institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.
- 5) Award payments made in the name of one Recipient cannot be applied to another Recipient at the same Institution. A refund of the payment must be submitted to ISAC and a supplemental request must be made and processed for the proper Recipient.
- 6) If the Institution does not submit refunds as required, ISAC will deduct outstanding refunds from subsequent payments to the Institution.

(Source: Added at 20 Ill. Reg. 10183, effective July 15, 1996)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Grant Program for Dependents of Correctional Officers
- 2) Code Citation: 23 Ill. Adm. Code 2731
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2731.10	New
2731.20	New
2731.30	New
2731.40	New
- 4) Statutory Authority: Implementing Section 60 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/60 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.
- ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.
- No substantive changes have been made to this program. However, due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@isc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2731

GRANT PROGRAM FOR DEPENDENTS OF CORRECTIONAL OFFICERS

Section 2731.10	Summary and Purpose
2731.20	Applicant Eligibility
2731.30	Program Procedures
2731.40	Institutional Procedures

AUTHORITY: Implementing Section 60 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/60 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20780, effective January 1, 1986; transferred from Chapter IX, 23 Ill. Adm. Code 1731 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2731 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17853; amended at 14 Ill. Reg. 10534, effective July 1, 1990; amended at 17 Ill. Reg. 10559, effective July 1, 1993; amended at 18 Ill. Reg. 10299, effective July 1, 1994; amended at 20 Ill. Reg. 10183, effective July 15, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2731.10 Summary and Purpose

- a) If a correctional officer employed by the Illinois Department of Corrections in a security position is killed or sustains an injury resulting in a permanent disability in the line of duty, the correctional officer's spouse and children may receive grant assistance under this Program, without regard to financial need.
- b) This Part establishes rules which govern the Grant Program for Dependents of Correctional Officers. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2731.20 Applicant Eligibility

- a) A qualified applicant shall:
 - 1) have been the natural child, legally adopted child, or child in the legal custody of the correctional officer at the time of the officer's death in the line of duty or permanent disability in the line of duty; or have been a husband or wife of the correctional officer at the time of the officer's death in the line of duty or permanent disability in the line of duty;
 - 2) be a United States citizen or an eligible noncitizen;

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- 3) be enrolled on at least a half-time basis at an institution that is approved for participation in the Monetary Award Program (MAP) (see 23 Ill. Adm. Code 2735); and
- 4) be making satisfactory academic progress toward a degree or certificate.
- b) An applicant need not be a resident of Illinois at the time of enrollment.
- c) An applicant does not have to demonstrate financial need to receive this grant.
- d) The surviving spouse of a correctional officer killed in the line of duty who later remarries is ineligible. If the spouse of a correctional officer permanently disabled in the line of duty divorces, s/he is also ineligible.
- e) A step-child not in the legal custody of the correctional officer at the time of the officer's death in the line of duty or injury in the line of duty which resulted in a permanent disability is ineligible.

Section 2731.30 Program Procedures

- a) All first-time applicants shall complete an application which includes biographical information regarding the deceased or disabled correctional officer (e.g., name, where employed, position title, date of death or disability, etc.) and the application shall be accompanied by a certified death certificate or the certified statement of a licensed physician. The physician's statement must certify that:
 - 1) there is a mental or physical condition that is reasonably certain to continue throughout the lifetime of the correctional officer, resulting in a 90% to 100% incapacity from performing substantial and material duties previously discharged; and
 - 2) the condition was caused by an injury sustained in the line of duty.
- b) Once eligibility has been established for one member of a family, it is established for all qualified applicants in the family. Thereafter, a simplified application will be required from each student on an annual basis.
- c) Applications must be filed prior to the end of the academic year for which grant assistance is being requested.
- d) If an application is incomplete, notice will be sent to the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date it was completed and received in ISAC's Deerfield office.
- e) Grants are applicable toward tuition and mandatory fees.
 - 1) A recipient attending a public institution in Illinois shall receive a grant that shall not exceed the cost of tuition and mandatory fees at that institution.
 - 2) A recipient attending a private institution in Illinois may receive a grant sufficient to pay the cost of tuition and

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- f) Notice of the grant award shall be sent to each recipient. Applicants not receiving awards will also be notified.
- g) Benefits are limited to the full-time enrollment equivalent of eight semesters or twelve quarters of payment for undergraduate or graduate study.
- h) A student who receives a grant under this program and who is subsequently determined to be ineligible shall repay the institution the total amount of the funds received during the period in which s/he was ineligible.
- i) Recipients receive payment through their institution of record.
- j) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive a grant for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient had incurred such charges.
- k) Recipients shall notify ISAC, in writing, within fifteen days, of name, address or enrollment status changes.
- l) ISAC pays grant funds directly to the institution of record in the name of the recipient.
- m) ISAC will disburse grant funds in multiple installments, depending upon the number of terms financed by the grant; except that multiple disbursements will not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the grant is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- n) Grant payment is subject to the limits of dollars appropriated for this program by the General Assembly.
- o) In the event that funds are insufficient to make awards to all eligible applicants, ISAC will make award determinations on the basis of the dates that the completed applications were received and the following:
 - 1) first semester and first quarter awards will be paid, or prorated if funding is insufficient to pay all grants in full;
 - 2) if funds remain after first semester and first quarter awards are paid, then second semester/second and third quarter awards will be paid, or prorated if funds remaining are insufficient to pay all grants in full;
 - 3) if funds remain after second semester/second and third quarter awards are paid, summer term awards will be paid, or prorated if funding is insufficient to pay all grants in full; and
 - 4) if funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid, or prorated if funds remaining are insufficient to pay all such grants in full.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Illinois Incentive for Access (IIA) Program

2) Code Citation: 23 Ill. Adm. Code 2736

Section Numbers:	Proposed Action:
2736.10	Repealed
2736.20	Repealed
2736.30	Repealed
2736.40	Repealed
2736.50	Repealed

4) Statutory Authority: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

6) Will these proposed rules replace an emergency rule currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

Section 2731.40 Institutional Procedures

a) The institution shall certify the applicant's award amount within the time frame requested by ISAC, which shall be no sooner than 30 days unless a more rapid response is necessary to expend appropriated funds prior to the end of the academic year.

b) Institutional Packaging of Assistance:

1) If the recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred by the student; and if it does, the institution shall reduce one of the awards accordingly;

2) notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the student's cost of attendance for that institution. Any excess gift assistance is considered an overaward, and the institution is required to notify ISAC to reduce this grant and/or other gift assistance to prevent such an overaward; and

3) if the recipient is eligible for assistance under MAP, the recipient may not be eligible for a full MAP grant because the grant for Dependents of Correctional Officers must be factored into the financial aid package prior to receiving MAP gift assistance. The institution, however, may request a MAP grant to finance tuition and mandatory fee expenses not paid by this program.

c) Institutional Processing of Payments:

1) When submitting payment requests, the institution shall verify that the recipient meets the requirements of Section 2731.20(a)(3) and (4), Applicant Eligibility.

2) Within 30 days after receiving payment, the institution shall credit the award toward the recipient's tuition and mandatory fee charges for the appropriate term.

3) Institutions are required to reconcile payments received through this program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.

4) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment must be submitted to ISAC and a supplemental request must be made and processed for the proper recipient.

5) If the institution does not submit refunds as required, ISAC will deduct outstanding refunds from subsequent payments to the institution.

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of the *Illinois Register*.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory agenda on which this rulemaking was summarized: January 1997
The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATIONCHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION
PART 2736

ILLINOIS INCENTIVE FOR ACCESS (IIA) PROGRAM (REPEALED)

Section	Summary and Purpose
2736.10	Definitions
2736.20	Applicant Eligibility
2736.30	Program Procedures
2736.40	Institutional Procedures
2736.50	

AUTHORITY: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 10397, effective August 1, 1996, for a maximum of 150 days; adopted at 20 Ill. Reg. 15067, effective November 15, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2736.10 Summary and Purpose

- a) The Illinois Incentive for Access (IIA) Program provides grant assistance to freshmen who have a limited ability to pay for college. The purpose of the program is to provide access and retention for this population and, possibly, to reduce their loan debt.
- b) This Part establishes Rules which govern the Illinois Incentive for Access Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

Section 2736.20 Definitions

"Expected Family Contribution" means the amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at Section 474 of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C.A. 1087nn).

"Cost of Attendance" is defined at Section 472 of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C.A. 1087mm).

Section 2736.30 Applicant Eligibility

- a) An Applicant applies for an IIA grant by using the form which the United States Department of Education (ED) designates as the application form for federal student financial aid. (See 20 U.S.C.A.

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1070a.) This is also the application form used for the Monetary Award Program (MAP) grant. (See 23 Ill. Adm. Code 2735.30(a).)

- 1) An Applicant must authorize ED to release his/her data to ISAC.
- 2) An Applicant, spouse and Parents of the Applicant are required to submit financial information on the application regarding income, asset value and non-taxable income (e.g., Aid to Families with Dependent Children, public aid, veterans' benefits or Social Security). This information shall be kept confidential.
- 3) An Applicant must report to the Institution all additional Gift Assistance, such as Tuition waivers and scholarships.
- 4) An Applicant must file his/her application by the deadline date established by ED.

b) An IIA grant recipient must:

- 1) be a Citizen or Eligible Noncitizen of the United States;
 - 2) be a Resident of Illinois;
 - 3) be an undergraduate student;
 - 4) be considered by the Institution to be a freshman;
 - 5) be Enrolled at an ISAC-approved college, university or professional college participating in the Monetary Award Program (see 23 Ill. Adm. Code 2735.60);
 - 6) be Enrolled in an eligible degree or certificate program (see 23 Ill. Adm. Code 2735.20(a)(3));
 - 7) be Enrolled on at least a half-time basis by the expiration of the point in the Term when charges are fixed for the Institution;
 - 8) meet Satisfactory Academic Progress criteria as determined by the Institution;
 - 9) have no personal or family financial resources available for expenditure on educational expenses, as defined by current federal student financial aid methodology (i.e., \$0 Expected Family Contribution);
 - 10) not have previously received a baccalaureate degree; and
 - 11) not be incarcerated.
- c) An Applicant determined eligible will receive one non-renewable grant of up to \$500.
- d) The application must be complete at the time the grant is awarded.
- e) It is the responsibility of IIA grant Applicants to gain admission to approved Illinois Institutions. Illinois Institutions are not obligated to admit IIA Applicants.

Section 2736.40 Program Procedures

- a) Claims for IIA-eligible students shall be submitted by the Institution of Record after the Institution of Record certifies to ISAC that the Applicant is an eligible recipient.
- b) IIA grants are paid directly to the Institution of Record in two disbursements consisting of payments of \$250 each Term.
- c) IIA grant payment is subject to the limit of dollars appropriated to ISAC by the Illinois General Assembly. If funds are insufficient to

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pay all claims, grants will be awarded according to the date the completed applications were received until funds have been expended. ISAC must have accurate data to properly determine an Applicant's eligibility. If changes or corrections are necessary, after receipt of corrected data ISAC shall recalculate awards for those Applicants whose applications are not in agreement with their financial records.

e) ISAC must submit a written evaluation of the Illinois Incentive for Access Program to the Governor, the General Assembly and the Board of Higher Education on or before October 1, 1999, including a report of the progress made toward the goal of increasing the access and retention rates for IIA grant recipients. Therefore, ISAC may collect data from Institutions to comply with this requirement.

f) IIA grants are applicable to any expense that is used to calculate the Applicant's Cost of Attendance.

g) The IIA grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) Test or for a high school diploma. (See e.g., 23 Ill. Adm. Code 215.)

h) The IIA grant shall not pay for audit courses, credit-by-examination and/or life experience, non-credit course offerings (except qualifying remedial courses) or correspondence courses. Such course work cannot be used to meet the half-time requirement. Remedial courses shall be eligible for IIA payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as a part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours).

Section 2736.50 Institutional Procedures

a) An Institution is obligated to provide IIA recipients the same facilities and instruction, on the same terms, as those provided to other students.

b) Benefits derived from the Baccalaureate Savings Act [110 ILCS 920] and the Bonus Incentive Grant (23 Ill. Adm. Code 2771) shall not be included in the calculation of a student's financial need.

c) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's Gift Assistance may not exceed the Institution's Cost of Attendance used to calculate Title IV aid for that student. If a student is receiving both MAP and IIA and the Gift Assistance exceeds the Cost of Attendance, IIA should be used first and MAP should be reduced to prevent an overaward.

d) For Institutions with Concurrent Registration opportunities:

- 1) The Applicant must indicate his/her Institution of Record on the financial aid application.
- 2) The Institution of Record shall distribute the appropriate share of the award to the other Institution(s). Payment by ISAC will not be made to more than one Institution.
- 3) Concurrent Registration is limited to MAP-approved Institutions.

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NOTICE OF PROPOSED REPEALER

- 4) The recipient's academic record(s) at the Institution of Record must document the total number of credit hours for which the student is Enrolled.
- e) If an Applicant, who has met all eligibility criteria, withdraws from enrollment after the expiration of the Tuition refund/withdrawal adjustment period, the Applicant shall receive the IIA grant payment for that Term.
- f) Institutional Processing of Payments:
 - 1) To provide sufficient time for processing and vouchering through the State Comptroller's Office, all payment requests must be received by ISAC no later than September 1 following the Academic Year due to the State's fiscal year lapse period ending on September 30.
 - 2) Payment requests received after September 1 for the prior Academic Year will be processed as time and available funds permit. However, final action may require an Institution to obtain payment for approved claims through the Illinois Court of Claims. (See the Court of Claims Act [705 ILCS 505].)
 - 3) Within 30 days after receiving payment of any IIA funds, the Institution shall credit the recipient's account for the appropriate Term.
 - 4) IIA award payments in the name of one recipient cannot be applied to another recipient at the same Institution.
 - 5) Following receipt of IIA payments from ISAC for the Term, an Institution is required to reconcile its records. If the Institution determines that refunds are due, they are to be processed and returned to ISAC no later than 60 days following the end of the academic Term. Should the payment arrive after the end of the Term, the Institution will have 60 days following the receipt of payment to complete the reconciliation process and return any funds due.
 - 6) If the Institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional IIA payments.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Illinois Incentive for Access (IIA) Program
- 2) Code Citation: 23 Ill. Adm. Code 2736
- 3) Section Numbers: Proposed Action:

2736.10	New
2736.20	New
2736.30	New
2736.40	New
- 4) Statutory Authority: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules. ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules.

Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program and to parallel a similar provision in the Monetary Award Program (23 Ill. Adm. Code 2735), a statement has been added to the Program Procedures Section which clarifies that IIA benefits are applicable for repeat courses. With regard to the Institutional Procedures Section, language in the proposed rules related to claim payment processing reflects the change in the end of the State's lapse period from September 30 to August 31.

6) Will these proposed rules replace an emergency rule currently in effect?
Yes

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this Proposed rulemaking: Comments may be submitted in writing for a period of

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2736

ILLINOIS INCENTIVE FOR ACCESS (IIA) PROGRAM

Section

2736.10 Summary and Purpose

2736.20 Applicant Eligibility

2736.30 Program Procedures

2736.40 Institutional Procedures

AUTHORITY: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 10397, effective August 1, 1996, for a maximum of 150 days; adopted at 20 Ill. Reg. 15067, effective November 15, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2736.10 Summary and Purpose

- a) The Illinois Incentive for Access (IIA) Program provides grant assistance to freshmen who have a limited ability to pay for college. The purpose of the program is to provide access and retention for this population and, possibly, to reduce their loan debt.
- b) This Part establishes rules which govern the Illinois Incentive for Access Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2736.20 Applicant Eligibility

- a) A qualified applicant shall:
 - 1) be a citizen or eligible noncitizen;
 - 2) be a resident of Illinois;
 - 3) be an undergraduate student;
 - 4) be officially classified by the institution as a freshman;
 - 5) be enrolled at an ISAC-approved institution of higher learning;
 - 6) be enrolled in an eligible degree or certificate program (see 23 Ill. Adm. Code 2735.20(a)(4));
 - 7) be enrolled on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period;
 - 8) meet satisfactory academic progress criteria as determined by the institution; and
 - 9) have no personal or family financial resources available for expenditure toward educational expenses, as defined by current

ILLINOIS STUDENT ASSISTANCE COMMISSION

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federal student financial aid methodology (i.e., \$0 Expected Family Contribution).

- b) A qualified applicant shall not:
 - 1) have previously received a baccalaureate degree; or
 - 2) be incarcerated.

Section 2736.30 Program Procedures

- a) An applicant applies for an IIA grant by using the form which the United States Department of Education (ED) designates as the application form for federal student financial aid. (See 20 U.S.C.A. 1070a.) This is also the application form used for the Monetary Award Program (MAP) grant. (See 23 Ill. Adm. Code 2735.30(a).)
 - 1) An applicant must authorize ED to release his/her data to ISAC;
 - 2) an applicant, spouse and parents of the applicant are required to submit financial information on the application regarding income, asset value and non-taxable income (e.g., Aid to Families with Dependent Children, public aid, veterans' benefits or Social Security). This information shall be kept confidential;
 - 3) an applicant must report to the institution all additional gift assistance, such as tuition waivers and scholarships; and
 - 4) an applicant must file his/her application by the deadline date established by ISAC.
- b) A qualified applicant may receive one grant of up to \$500.
- c) The application must be complete at the time the grant is awarded. ISAC must have accurate data to properly determine an applicant's eligibility. If changes or corrections are necessary after receipt of corrected data, ISAC shall recalculate awards for those applicants whose applications are not in agreement with their financial records. It is the responsibility of IIA grant applicants to gain admission to approved Illinois institutions. Illinois institutions are not obligated to admit IIA applicants.
- e) IIA grant payment is subject to the limit of dollars appropriated to ISAC by the Illinois General Assembly. If funds are insufficient to pay all claims, grants will be awarded according to the date the completed applications were received until funds have been expended.
- f) ISAC must submit a written evaluation of the Illinois Incentive for Access Program to the Governor, the General Assembly and the Board of Higher Education, including a report of the progress made toward the goal of increasing the access and retention rates for IIA grant recipients. Therefore, ISAC may collect data from institutions to comply with this requirement.
- g) IIA grants are applicable to any expense that is used to calculate the applicant's cost of attendance.
- h) The IIA grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- i) The IIA grant shall not pay for audit courses, credit-by-examination

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- and/or life experience, noncredit course offerings (except qualifying remedial courses) or correspondence courses. Such course work cannot be used to meet the half-time requirement. Remedial courses shall be eligible for IIA payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as a part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses are eligible.
- j) An institution is obligated to provide IIA recipients the same facilities and instruction, on the same terms, as those provided to other students.

Section 2736.40 Institutional Procedures

- a) Claims for IIA-eligible students shall be submitted by the institution of record after the institution of record certifies to ISAC that the applicant meets the criteria listed in Section 2736.20, Applicant Eligibility.
- b) IIA grants are paid directly to the institution of record in two disbursements consisting of payments of \$250 each term.
- c) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the cost of attendance used to calculate Title IV aid for that student. If a student is receiving both MAP and IIA and the gift assistance exceeds the cost of attendance, IIA should be used first and MAP should be reduced to prevent an overaward.
- d) For institutions with concurrent registration opportunities:
- 1) The recipient must indicate his/her institution of record on the financial aid application;
 - 2) the institution of record shall distribute the appropriate share of the award to the other institution(s). Payment by ISAC will not be made to more than one institution;
 - 3) concurrent registration is limited to ISAC-approved institutions of higher learning; and
 - 4) the recipient's academic record(s) at the institution of record must document the total number of credit hours for which the student is enrolled.
- e) If a qualified applicant withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the qualified applicant shall receive the IIA grant payment for that term.
- f) Institutional Processing of Payments:
- 1) To provide sufficient time for processing and vouchering through the State Comptroller's Office, all payment requests must be received by ISAC no later than August 1 following the academic year due to the State's fiscal year lapse period ending August 31;
 - 2) payment requests received after August 1 for the prior academic year will be processed as time and available funds permit.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

- However, final action may require an institution to obtain payment for approved claims through the Illinois Court of Claims. (See the Court of Claims Act [705 ILCS 505].);
- 3) within 30 days after receiving payment of any IIA funds, the institution shall credit the recipient's account for the appropriate term;
 - 4) IIA award payments in the name of one recipient cannot be applied to another recipient at the same institution;
 - 5) following receipt of IIA payments from ISAC for the term, an institution is required to reconcile its records. If the institution determines that refunds are due, they are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following the receipt of payment to complete the reconciliation process and return any funds due; and
 - 6) if the institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional IIA payments.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Illinois National Guard Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2730
- 3) Section Numbers:
 2730.5 Repealed
 2730.10 Repealed
 2730.20 Repealed
- 4) Statutory Authority: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, IL 60015-5209
 (847) 948-8500
 email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2730

ILLINOIS NATIONAL GUARD GRANT PROGRAM (REPEALED)

Section

2730.5 Summary and Purpose

2730.10 Applicant Eligibility

2730.20 Program Procedures

AUTHORITY: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; rules repealed at 6 Ill. Reg. 8239, effective June 30, 1982; new rules adopted at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10877; amended at 8 Ill. Reg. 17016, effective September 5, 1984; amended at 9 Ill. Reg. 20827, effective January 1, 1986; amended at 11 Ill. Reg. 3202, effective January 29, 1987; amended at 12 Ill. Reg. 11531, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1730 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2730 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17857; amended at 14 Ill. Reg. 10567, effective July 1, 1990; amended at 16 Ill. Reg. 11254, effective July 1, 1992; amended at 17 Ill. Reg. 10563, effective July 1, 1993; amended at 18 Ill. Reg. 10303, effective July 1, 1994; amended at 20 Ill. Reg. 9187, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2730.5 Summary and Purpose

- a) Eligible recipients are entitled to an exemption from payment of tuition and certain fees at state-controlled universities and community colleges as described in this Part. If funds appropriated for the Illinois Student Assistance Commission (ISAC) are insufficient to reimburse public postsecondary institutions for all eligible recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes Rules which govern the Illinois National Guard Grant Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 18 Ill. Reg. 10303, effective July 1, 1994)

Section 2730.10 Applicant Eligibility

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- a) Students must file an application annually indicating the Institution to be attended. Application deadlines are specified in Section 2730.20(d).

- 1) Eligible Applicants will receive an Eligibility Letter from ISAC for each Academic Year following the filing of the application. This letter must be delivered to the educational Institution at which the student is Enrolled. Ineligible Applicants will receive written notification from ISAC of their ineligibility to receive program benefits.

- 2) ISAC verifies application data in consultation with the Illinois Department of Military Affairs when reviewing an application.

- b) Applicants must have served for at least one year in the Illinois National Guard. Eligibility is available to any enlisted person or any company grade officer including warrant officers, first and second lieutenants, and captains in the Army and Air National Guard.

- c) Fees exempted by the National Guard Grant.

- 1) The recipient is exempted from paying the following:

- A) Tuition;
- B) registration fees;
- C) graduation fees; and
- D) general activity fees.

- 2) The recipient is responsible for payment of the following:

- A) book rental fees;
- B) laboratory and supply fees;
- C) air flight fees;
- D) hospital and health insurance fees;
- E) room and board;
- F) parking fees;
- G) student union fees;
- H) athletic fees; and
- I) proficiency or placement exam(s) and other similar fees.

- d) Recipients must maintain an acceptable grade point average as determined by the Institution pursuant to a published policy.
- e) Benefits are applicable to both undergraduate and graduate enrollment. There is no minimum credit-hour enrollment requirement.
- f) Benefits may be used at Illinois public senior universities and at any Illinois public community college.
- g) If a student is eligible for both a National Guard Grant and a MAP award, the National Guard benefits must be used first. A student cannot decline a National Guard Grant in favor of using MAP.

(Source: Amended at 20 Ill. Reg. 9187, effective July 1, 1996)

Section 2730.20 Program Procedures

- a) Payment Request

- 1) The Institution must request from each Applicant a valid Illinois National Guard Grant Eligibility Letter. The Institution must

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

complete two ISAC payment certification forms which certify the Applicant's:

- A) Social Security Number;
- B) name;
- C) enrollment;
- D) grant amount; and
- E) acceptable grade point average.

2) One sheet is to be returned to ISAC for payment and the other retained by the Institution for record and audit purposes.

- b) Within the constraints of appropriation levels, two semester or three quarter Term payments and one summer Term payment are made directly to the Institution after it officially certifies to ISAC that the Applicant has registered and is attending classes. No seminars or other special Terms are covered under the grant. Summer Term is considered the final Term of the Academic and fiscal Year.

1) Payment certification forms will be mailed each Term to the Institution no earlier than the application deadline date for that Term. Payment certification forms must be returned no later than 30 calendar days after they have been mailed to the Institution by ISAC. Supplemental certification forms must be submitted to ISAC no later than 45 calendar days after the original payment certification form was mailed to the Institution with the exception of summer Term supplements which must be submitted by the same deadline as the original payment certification for summer Term. All certification forms received by ISAC after the designated dates will be paid or prorated during the fiscal lapse period (July 1 through September 30 following the conclusion of the fiscal year).

2) Claims will be paid as follows:

- A) First semester and first quarter claims received by the designated deadline date will be paid or prorated, if funding is insufficient to pay all claims in full.
- B) If funds remain after first semester and first quarter claims are paid, then second semester and second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full.
- C) If funds still remain after the preceding claims are paid, summer Term claims received by the designated deadline date will be paid, or prorated, if remaining funds are insufficient to pay all summer claims in full.
- D) In the event that funds are not exhausted by summer Term payments, claims received after the designated deadline dates will be paid or prorated.
- E) If funds are still available when the preceding claims have been paid in full, ISAC will use remaining funds to pay or prorate claims for the balance of non-residents' Tuition for recipients who live out-of-state or out-of-district.

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- c) Changes of address, name, status with the Guard, or Institution of attendance must be reported in writing to ISAC. Verification of receipt of changes sent to ISAC will be mailed directly to the Applicant's address recorded with ISAC.

d) Applicants must file an application each Academic Year indicating the Institution to be attended. No payment will be authorized for any Applicant until a current application is on file. The deadline for application will be September 15 for first Term, March 1 for second semester/second and third quarter, and June 15 for the summer Term. Institution of attendance changes must also be reported by these dates.

e) Eligible recipients are entitled to receive benefits for the equivalent of eight semesters/twelve quarters of full-time enrollment.

- 1) To determine the amount of eligibility a recipient has used, credit hours will be converted to "eligibility units" according to the following chart:

Number of Hours	Semester School	Quarter School
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
0 - 2.99 hours	1 unit	1 unit

2) Recipients may continue to reapply and accumulate up to 96 units, after which point eligibility for program benefits will cease.

- 3) In the event that the recipient withdraws from a course(s) prior to the end of a Term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her Tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is Enrolled for twelve semester hours at a cost of \$300.00. The recipient withdraws from enrollment and incurs expenses of \$150.00 in accordance with the Institution's Tuition refund policy. The recipient would use six eligibility units and would receive \$150.00 in benefits.

- 4) The eligibility units used for a non-credit course shall be the same as the number of eligibility units used for a credit course having the same number of total faculty contact hours.

f) If a current year Applicant is discharged or has membership extended by the Guard, ISAC will send a revised eligibility letter or ineligibility letter to the applicant. In the case of discharges, a copy of the letter will be sent to the Institution of record.

- g) If a recipient ceases to be a member of the Guard in mid-term, benefits are terminated and the recipient is responsible for the costs attributed to the remainder of the Term. If an Applicant becomes eligible in mid-term, in accordance with Section 2730.10(b), benefits

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

will be pro-rated for that portion of the term for which the Applicant is eligible, provided the application is submitted by the deadlines established in subsection (d). Costs are prorated on the basis of the Institution's scheduled days of instruction minus institutionally scheduled holidays and examination periods.

Calculation: Total tuition costs divided by total instructional days = cost per day x days of eligibility = total proration.

- h) Out-of-state residents will receive Tuition and applicable fee benefits equivalent to those received by in-state residents at the Illinois Institution; recipients attending out-of-district community colleges will receive tuition and applicable fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-state and out-of-state tuition nor will they be responsible for paying the difference between in-district and out-of-district tuition.

- i) Payments on behalf of a recipient will be made to only one Institution per Term. For any Institution that has a Concurrent Registration opportunity, the same payment policy will be in effect as that used in the Monetary Award Program. (See: 23 Ill. Adm. Code 2735.70(d).)

(Source: Amended at 20 Ill. Reg. 9187, effective July 1, 1996)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Illinois National Guard Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2730
- 3) Section Numbers: Proposed Action:
- | | |
|---------|-----|
| 2730.10 | New |
| 2730.20 | New |
| 2730.30 | New |
| 2730.40 | New |
- 4) Statutory Authority: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program, a statement has been added to the Program Procedures Section which clarifies that benefits are applicable for noncredit courses. Benefits of this program have always been applicable to noncredit courses, but questions from clients have led ISAC to provide clear guidance by including this statement in the proposed rules. With regard to the Institutional Procedures Section, language in the proposed rules related to payment claim processing reflects the change in the end of the State's lapse period from September 30 to August 31. For consistency with other programs, language has also been included in this Section which requires institutions to reconcile payments received and to process refunds to ISAC in a timely manner. References to claim and payment procedures requiring paper have been changed or removed to allow the ability for the electronic exchange of information between an institution and ISAC.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the Illinois Register and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2730

ILLINOIS NATIONAL GUARD GRANT PROGRAM

Section	Summary and Purpose
2730.10	Applicant Eligibility
2730.20	Program Procedures
2730.30	Institutional Procedures

AUTHORITY: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; rules repealed at 6 Ill. Reg. 8239, effective June 30, 1982; new rules adopted at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10877; amended at 8 Ill. Reg. 17016, effective September 5, 1984; amended at 9 Ill. Reg. 20827, effective January 1, 1986; amended at 11 Ill. Reg. 3202, effective January 29, 1987; amended at 12 Ill. Reg. 11531, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1730 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2730 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17857; amended at 14 Ill. Reg. 10567, effective July 1, 1990; amended at 16 Ill. Reg. 11254, effective July 1, 1992; amended at 17 Ill. Reg. 10563, effective July 1, 1993; amended at 18 Ill. Reg. 10303, effective July 1, 1994; amended at 20 Ill. Reg. 9187, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2730.10 Summary and Purpose

- a) Eligible recipients are entitled to an exemption from payment of tuition and certain fees at State universities and community colleges as described in this Part. If funds appropriated for the Illinois Student Assistance Commission (ISAC) are insufficient to reimburse public postsecondary institutions for all recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes rules which govern the Illinois National Guard Grant Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2730.20 Applicant Eligibility

- a) Students must file an application annually indicating the institution

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to be attended. No payment will be authorized for any applicant until a current application is on file. The deadline for applications will be September 15 for first term, March 1 for second semester/second and third quarter, and June 15 for the summer term. Institution of attendance changes must also be reported by these dates.

- 1) Qualified applicants will receive an eligibility letter from ISAC for each academic year following the filing of the application. This letter must be delivered to the educational institution at which the student is enrolled. Ineligible applicants will receive written notification from ISAC of their ineligibility to receive program benefits; and
- 2) ISAC will verify application data in consultation with the Illinois Department of Military Affairs when reviewing an application.
- b) Applicants must have served for at least one year in the Illinois National Guard. Eligibility is available to any enlisted person or any company grade officer including warrant officers, first and second lieutenants, and captains in the Army and Air National Guard. Recipients must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- d) Changes of address, name, status with the Illinois National Guard, or institution of attendance must be reported in writing to ISAC. Verification of receipt of changes sent to ISAC will be mailed directly to the applicant's address on record with ISAC.

Section 2730.30 Program Procedures

- a) The recipient is exempt from paying the following:

- 1) tuition;
- 2) registration fees;
- 3) graduation fees; and
- 4) general activity fees.

- b) The recipient is responsible for payment of other fees, including the following:

- 1) book rental fees;
- 2) laboratory and supply fees;
- 3) air flight fees;
- 4) hospital and health insurance fees;
- 5) room and board;
- 6) parking fees;
- 7) student union fees;
- 8) athletic fees; and
- 9) proficiency or placement exam(s) and other similar fees.

- c) Benefits are applicable to both undergraduate and graduate enrollment. There is no minimum credit-hour enrollment requirement. Benefits are applicable for noncredit courses.

- d) Benefits may be used at Illinois public senior universities and at any Illinois public community college.

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e) Within the constraints of appropriation levels, two semester or three quarter term payments and one summer term payment are made directly to the institution after it officially certifies to ISAC that the applicant has registered and is attending classes. No seminars or other special terms are covered under the grant. Summer term is considered the final term of the academic and fiscal year.

f) Recipients are entitled to receive benefits for the equivalent of eight semesters/twelve quarters of full-time enrollment.

1) To determine the amount of eligibility a recipient has used, credit hours will be converted to "eligibility units" according to the following chart:

Number of Hours	Semester School	Quarter School
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
0 - 2.99 hours	1 unit	1 unit

2) Recipients may continue to reapply and accumulate up to 96 units, after which point eligibility for program benefits will cease.

3) If an eligible recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive a grant for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.

4) In the event that the recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion to the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.

5) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course having the same number of total faculty contact hours.

9) If a current year applicant is discharged or has membership extended by the Illinois National Guard, ISAC will send a revised eligibility letter or ineligibility letter to the applicant. In the case of discharge, a copy of the letter will be sent to the institution of record.

h) If a recipient ceases to be a member of the Illinois National Guard

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during a term, benefits cease, and the student is responsible for the unpaid costs attributed to the remainder of the term. If an applicant becomes eligible during a term, in accordance with Section 2730.20(b), benefits will be prorated for that portion of the term for which the applicant is eligible, provided the application is submitted by the deadlines. Costs are prorated on the basis of the institution's scheduled days of instruction minus institutionally scheduled holidays and examination periods.

Calculation: Total tuition cost divided by total instructional days = cost per day x days of eligibility = total proration.

i) Out-of-state residents will receive tuition and applicable fee benefits equivalent to those received by in-state residents at the Illinois institution; recipients attending out-of-district community colleges will receive tuition and applicable fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-state and out-of-state tuition nor will they be responsible for paying the difference between in-district and out-of-district tuition.

j) If a student is eligible for both an Illinois National Guard Grant and a MAP award, the Illinois National Guard benefits must be used first. A student cannot decline an Illinois National Guard Grant in favor of using MAP.

Section 2730.40 Institutional Procedures

a) The institution must establish a qualified applicant's initial eligibility before requesting payment from ISAC. A valid Illinois National Guard Grant eligibility letter may be used for this purpose.

b) When submitting payment requests, the institution shall certify that the recipient meets the requirements of Section 2730.20(c), Applicant Eligibility.

c) Payment information will be sent each term to the institution no earlier than the application deadline date for that term. Payment claims must be submitted no later than 30 calendar days after payment information has been sent to the institution by ISAC. Supplemental payment claims must be submitted to ISAC no later than 45 calendar days after the original payment information was sent to the institution with the exception of summer term supplements which must be submitted by the same deadline as the original payment claim for summer term. All payment claims received by ISAC after the designated dates will be paid or prorated during the fiscal lapse period (July 1 through August 31) following the conclusion of the fiscal year.

d) Claims will be paid as follows:

1) first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;

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- 2) if funds remain after first semester and first quarter claims are paid, then second semester and second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;
- 3) if funds still remain after the preceding claims are paid, summer term claims received by the designated deadline date will be paid, or prorated if remaining funds are insufficient to pay all summer claims in full; and
- 4) in the event that funds are not exhausted by summer term payments, claims received after the designated deadline dates will be paid or prorated.
- 5) If funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid, or prorated if funds remaining are insufficient to pay all such grants in full.
- e) Payments on behalf of a recipient will be made to only one institution per term. For any institution that has a concurrent registration opportunity, the same payment policy will be in effect as that used in the Monetary Award Program. (See: 23 Ill. Adm. Code 2735.40(h).)
- f) Institutions are required to reconcile payments received through this program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Illinois Special Education Teacher Tuition Waiver Program
- 2) Code Citation: 23 Ill. Adm. Code 2765
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2765.10	Repealed
2765.20	Repealed
2765.30	Repealed
2765.40	Repealed
2765.50	Repealed
- 4) Statutory Authority: Implementing Section 65.15 of the Higher Education Student Assistance Act [110 ILCS 947/65.15] and authorized by Sections 20(f) and 65.15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.15(a)(2)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No

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9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was included in ISAC's January 1997 regulatory agenda.

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2765

ILLINOIS SPECIAL EDUCATION TEACHER TUITION WAIVER PROGRAM (REPEALED)

Section	Summary and Purpose
2765.10	Definitions
2765.20	Scholar Eligibility
2765.30	Program Procedures
2765.40	Institutional Procedures
2765.50	

AUTHORITY: Implementing Section 65.15 of the Higher Education Student Assistance Act [110 ILCS 947/65.15] and authorized by Sections 20(f) and 65-15(a)(2) of the Higher Education Student Assistance Act

SOURCE: Adopted at 19 Ill. Reg. 8354, effective July 1, 1995; amended at 20 Ill. Reg. 9194, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2765.10 Summary and Purpose

- a) The Illinois Special Education Teacher Tuition Waiver Program encourages current teachers and academically talented students to pursue careers as Illinois public, private or parochial elementary and secondary Illinois school teachers in any area of Special Education.
- b) This part establishes the Rules which govern the Illinois Special Education Teacher Tuition Waiver Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 20 Ill. Reg. 9194, effective July 1, 1996)

Section 2765.20 Definitions

"Eligible Institution" - For the purposes of this Part, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University (Carbondale), Southern Illinois University (Edwardsville), University of Illinois (Chicago), University of Illinois (Springfield), University of Illinois (Urbana) and Western Illinois University.

"Fees" - For the purposes of this Part, the Fees that a Special Education Scholar is exempt from paying include: any matriculation,

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in the upper half of his or her high school graduating class; or

B) a person holding a valid teaching certificate that is not in the discipline of Special Education;

4) be enrolled, or accepted for enrollment, on a full-time basis as an undergraduate or graduate student seeking initial certification in any area of Special Education;

5) attend, or plan to attend, an Eligible Institution; and

6) not have received the Illinois Special Education Teacher Tuition Waiver in the past.

c) Applicants will be notified if they are not Qualified Applicants. A non-Qualified Applicant may appeal a finding of ineligibility in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.

d) Prior to receiving assistance, the Special Education Scholar must sign a Teaching Agreement/Promissory Note, which must be submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following:

1) a pledge on the part of the Scholar to teach in the field of Special Education for two of the five years immediately following graduation or termination of enrollment in any recognized public, private or parochial school in Illinois;

2) a stipulation that, if the teaching requirement is not fulfilled, the scholarship converts to a loan and the Special Education Scholar must repay the entire amount of the Tuition Waiver prorated to the fraction of the teaching obligation not completed, plus interest at a rate equal to 5% per annum; and

3) a further stipulation that the Scholar agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).

e) A Special Education Scholar shall not be in violation of the teaching agreement, and thus may defer repayment as set forth in subsection (d)(2) of this Section, if the Special Education Scholar:

1) serves, for not more than four years, as a member of the United States armed services;

2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;

3) is pursuing a postgraduate degree and is enrolled on a full-time basis;

4) is seeking and unable to find, for not more than two years, full-time employment as a Special Education teacher, and is able to provide evidence of that fact; or

5) withdraws from a course of study leading to a teacher certification in Special Education but remains Enrolled on a full-time basis in another academic discipline.

f) A Special Education Scholar shall not be required to pay the amount of the Tuition and Fees waived if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see e.g., 34 CFR 653.42(k)(i)); or if his or her representative provides ISAC with a death certificate or other

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graduation, activity, term or incidental fee. The fees for which the Scholar remains responsible include: multipurpose fees or any other fees such as book rental, service, laboratory, supply, union building, hospital and medical insurance fees and any fees established for the operation and maintenance of buildings, the income of which is pledged to the payment of interest and principal on bonds issued by the governing board of any public university or community college.

"Qualified Applicant" - An Applicant who meets the requirements of Section 2765.30(b).

"Scholar" - For the purposes of this Part, a Special Education Scholar.

"Special Education" - A postsecondary educational program designed to teach persons how to meet the needs of all children designated as handicapped, with specific learning disabilities or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02, 1.02a and 7.02.) These programs prepare persons for meeting the needs of children who exhibit handicapping or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach handicapped children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Special Education Scholar" - An individual who receives assistance under this Part.

"Tuition Waiver" - An exemption from paying the Tuition and Fees at an Eligible Institution.

(Source: Amended at 20 Ill. Reg. 9194, effective July 1, 1996)

Section 2765.30 Scholar Eligibility

a) A completed application must be received in ISAC's Deerfield office on or before February 15 immediately preceding the Academic Year for which the scholarship is being requested, in order to receive priority consideration.

b) In addition to filing a timely application, a Qualified Applicant must:

1) be a United States Citizen or an Eligible Noncitizen;

2) be a Resident of Illinois;

3) be an individual who has agreed to take courses that will prepare him/her for teaching in a Special Education discipline; and

A) a graduate of an Illinois high school (or a student scheduled to graduate from an Illinois high school by the end of the school Term in which the award is made) who ranks

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evidence that the Scholar has died.

(Source: Amended at 20 Ill. Reg. 9194, effective July 1, 1996)

Section 2765.40 Program Procedures

- a) Applications for the Illinois Special Education Teacher Tuition Waiver Program are available from Eligible Institutions; the offices of Regional Superintendents of Education in Illinois; state legislative and federal congressional offices; and ISAC's Springfield, Deerfield and Chicago offices.
- b) ISAC shall accept applications to be a Special Education Scholar in accordance with Section 2765.30 of this Part, Scholar Eligibility.
- c) If the Applicant section of an application is incomplete, notification will be sent to the Applicant. The Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) On or before March 1 of each year, ISAC, on behalf of principals of public, private and parochial high schools in Illinois, will provide the Regional Superintendents of each county with a roster of the names of all students in their county who are anticipated to be Qualified Applicants.
- e) On or before May 15 of each year, the Regional Superintendents shall certify the eligibility of Qualified Applicants on a roster that shall be returned to ISAC.
- f) ISAC shall award 250 Special Education Teacher Tuition Waivers annually.
- g) A maximum of 40 Tuition Waivers may be awarded annually to Qualified Applicants who hold valid teaching certificates that are not in the discipline of Special Education. (See Section 2765.30(b)(3)(B) of this Part.) If more than forty (40) Applicants qualify under these provisions, a lottery shall be used to select forty (40) Special Education Scholars.
- h) A minimum of 210 Tuition Waivers shall be awarded annually to high school graduates (or students scheduled to graduate) who rank in the upper half of their class. (See Section 2765.30(b)(3)(A) of this Part.) Any of the forty (40) Tuition Waivers not awarded pursuant to subsection (g), above, shall be awarded to this group.
- i) ISAC shall select Scholars, who do not hold valid teaching certificates, from among Qualified Applicants based on the highest Illinois Standard Test Scores. (See 23 Ill. Adm. Code 2760.30 and Appendices A and B.)
- j) A lottery will be used to determine Special Education Scholars if the number of Qualified Applicants sharing the same Illinois Standard Test Score exceeds the number of Tuition Waivers to be awarded.
- k) Notice of eligibility will be sent by July 1 to each Qualified

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Applicant who is selected to receive a Special Education Teacher Tuition Waiver. The Special Education Scholar is then responsible for providing a copy of the notice of eligibility to the Institution. All other Qualified Applicants will be notified that they were not selected.

Section 2765.50 Institutional Procedures

- a) Tuition Waivers are available towards credit for any semester/quarter within an Academic Year.
- b) When a Special Education Scholar graduates, withdraws, or otherwise ceases to be Enrolled in a Special Education program, the Institution shall certify to ISAC the total amount of Tuition and Fees that have been waived on behalf of the Special Education Scholar.
- c) A Special Education Scholar shall be exempt from paying Tuition and Fees at an Eligible Institution for up to four calendar years.
- d) In any Academic Year in which the Special Education Scholar accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship (23 Ill. Adm. Code 2763), or the DeBolt Teacher Shortage Scholarship (23 Ill. Adm. Code 2764), the Scholar shall forfeit his or her eligibility for assistance under this Part.
- e) If a Scholar is eligible for both a Tuition Waiver and grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735), the Tuition Waiver must be used first.
- f) Special Education Scholars must be Enrolled at an Eligible Institution on a full-time basis. However, leaves of absence may be granted by the president of the Eligible Institution, or her or his designee, for the following reasons:
 - 1) earning funds to defray the Scholar's educational expenses;
 - 2) illness of the Scholar or a member of the Scholar's immediate family, as established by the sworn statement of a licensed physician; or
 - 3) military service.
- g) A Special Education Scholar must complete his or her course of study within six years including leave(s) of absence. However, a leave of absence granted for military service shall not be considered part of the six years within which a Scholar must complete a degree.
- h) ISAC shall be notified by the Institution of a Scholar's leave(s) of absence.

(Source: Amended at 20 Ill. Reg. 9194, effective July 1, 1996)

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NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Illinois Special Education Teacher Tuition Waiver Program

- 2) Code Citation: 23 Ill. Adm. Code 2765

- 3) Section Numbers:
 2765.10 New
 2765.20 New
 2765.30 New
 2765.40 New

- 4) Statutory Authority: Implementing Section 65.15 and authorized by Sections 20(f) and 65-15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/65.15 and 20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program, the proposed rules include language that specifies when a scholarship must be converted to a loan, under what circumstances a loan payment may be deferred and under what circumstances a teaching obligation may be extended.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the Illinois Register and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

ILLINOIS STUDENT ASSISTANCE COMMISSION

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Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@sc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2765

ILLINOIS SPECIAL EDUCATION TEACHER TUITION WAIVER PROGRAM

Section	
2765.10	Summary and Purpose
2765.20	Applicant Eligibility
2765.30	Program Procedures
2765.40	Institutional Procedures

AUTHORITY: Implementing Section 65.15 and authorized by Sections 20(f) and 65-15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.15].

SOURCE: Adopted at 19 Ill. Reg. 8354, effective July 1, 1995; amended at 20 Ill. Reg. 9194, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2765.10 Summary and Purpose

- a) The Illinois Special Education Teacher Tuition Waiver Program encourages current teachers and academically talented students to pursue careers as Illinois public, private or parochial elementary and secondary school teachers in any area of Special Education.
- b) This Part establishes the rules which govern the Illinois Special Education Teacher Tuition Waiver Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2765.20 Applicant Eligibility

- a) A qualified applicant shall:
- 1) be a United States citizen or an eligible noncitizen;
 - 2) be a resident of Illinois;
 - 3) be a graduate of an Illinois approved high school (or a student scheduled to graduate from an Illinois high school by the end of the school term in which the award is made) who ranks in the upper half of his or her high school graduating class; or be a person holding a valid teaching certificate that is not in the discipline of Special Education;
 - 4) be enrolled, or accepted for enrollment, as an undergraduate or graduate student seeking initial certification in any area of Special Education;
 - 5) attend, or plan to attend, Chicago State University, Eastern

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Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University (Carbondale), Southern Illinois University (Edwardsville), University of Illinois (Chicago), University of Illinois (Springfield), University of Illinois (Urbana) or Western Illinois University; and

- 6) not have received the Illinois Special Education Teacher Tuition Waiver in the past.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship (23 Ill. Adm. Code 2763), or the DeBoit Teacher Shortage Scholarship (23 Ill. Adm. Code 2764), s/he shall not be eligible for an Illinois Special Education Teacher Tuition Waiver.

Section 2765.30 Program Procedures

- a) A completed ISAC application for the Illinois Special Education Teacher Tuition Waiver must be received in ISAC's Deerfield office on or before the February 15 immediately preceding the academic year for which the tuition waiver is being requested, in order to receive priority consideration for an award.
- b) ISAC applications for the Illinois Special Education Teacher Tuition Waiver Program are available from eligible institutions; the offices of Regional Superintendents of Education in Illinois; State Legislative and Federal Congressional offices; and ISAC's Springfield, Deerfield and Chicago offices.
- c) If the student section of an application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) On or before March 1 of each year, ISAC, on behalf of principals of public, private and parochial high schools in Illinois, will provide the Regional Superintendents of each county with a roster of the names of all students in their county who are anticipated to be qualified applicants.
- e) On or before May 15 of each year, the Regional Superintendents shall certify the eligibility of qualified applicants on a roster that shall be returned to ISAC.
- f) ISAC shall award 250 Illinois Special Education Teacher Tuition Waivers annually as follows:
 - 1) A maximum of 40 tuition waivers may be awarded annually to qualified applicants who hold valid teaching certificates that are not in the discipline of Special Education. If more than 40 applicants qualify under these provisions, a lottery shall be used to select 40 recipients;
 - 2) A minimum of 210 tuition waivers shall be awarded annually to

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high school graduates (or students scheduled to graduate) who rank in the upper half of their class. Any of the 40 tuition waivers not awarded pursuant to subsection (f)(1) of this Section shall be awarded to this group;

- 3) ISAC shall select recipients, who do not hold valid teaching certificates, from among qualified applicants based on the highest ACT or SAT I test scores as converted according to the Illinois Standard Test Score table (see 23 Ill. Adm. Code 2760.30(b)(1) and (2)).
- 4) A lottery will be used to determine recipients if the number of qualified applicants sharing the same Illinois Standard Test Score exceeds the number of tuition waivers to be awarded.
- g) Notice of eligibility will be sent by July 1 to each qualified applicant who is selected to receive a tuition waiver. The qualified applicant is then responsible for providing a copy of the notice of eligibility to the institution. All other qualified applicants will be notified that they were not selected.
- h) Tuition waivers are applicable towards credit for any semester/quarter within an academic year.
- i) A recipient shall be exempt from paying tuition and matriculation, graduation, activity, term or incidental fees for up to four calendar years.
- j) Prior to receiving assistance, the qualified applicant must sign a Teaching Agreement/Promissory Note, which must be submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following:
 - 1) a pledge on the part of the recipient to teach, on a full-time basis, in the field of Special Education, for two of the five years immediately following graduation or termination of enrollment, in any recognized public, private or parochial school in Illinois;
 - 2) a stipulation that, if the teaching requirement is not fulfilled, the tuition waiver converts to a loan and the recipient must repay the entire amount of the Tuition Waiver prorated according to the fraction of the teaching obligation not completed, plus interest at a rate equal to 5% per annum; and
 - 3) a further stipulation that the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- k) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
 - 1) serves, for not more than four years, as a member of the United States armed services; or
 - 2) is enrolled full-time in an academic program leading to a graduate or postgraduate degree.
- l) A recipient may be granted a leave of absence by the president of the institution, or her or his designee, for the following reasons:
 - 1) earning funds to defray the recipient's educational expenses;
 - 2) illness of the recipient or a member of the recipient's immediate

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family, as established by the sworn statement of a licensed physician; or

3) military service.

m) A recipient must complete his or her course of study within six years including leave(s) of absence. However, a leave of absence granted for military service shall not be considered part of the six years within which a recipient must complete a degree.

n) A recipient shall enter repayment status on the earliest of the following dates:

1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to initial certification as a teacher in Special Education, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;

2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or

3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the waiver was awarded.

o) If a recipient is required to repay any portion of the waiver, the repayment period shall be completed within five years after the waiver converts to a loan. The five-year period may be extended if the recipient:

1) serves, for not more than four years, as a member of the United States armed services;

2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;

3) is pursuing a graduate or postgraduate degree and is enrolled on a full-time basis;

4) is actively seeking and unable to find, for not more than two years, full-time employment as a Special Education teacher, and is able to provide evidence of that fact; or

5) withdraws from a course of study leading to a teacher certification in Special Education but remains enrolled on a full-time basis in another academic discipline.

p) During the time a recipient qualifies for any of the extensions listed in subsection (h) of this Section, s/he shall not be required to make payments and interest shall continue to accrue.

q) A recipient shall not be required to pay the amount of the tuition and fees waived if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see e.g., 34 CFR 653.42(k)(1)); or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

Section 2765.40 Institutional Procedures

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a) When a recipient graduates, withdraws, or otherwise ceases to be enrolled in a Special Education program, the institution shall certify to ISAC the total amount of tuition and fees that have been waived on behalf of the recipient.

b) If a qualified applicant is eligible for both a tuition waiver and grant assistance under the Monetary Award Program (MAP) (23 Ill. Adm. Code 2735), the tuition waiver must be used first.

c) ISAC shall be notified by the institution of a recipient's leave of absence.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Illinois Veteran Grant (IVG) Program
- 2) Code Citation: 23 Ill. Adm. Code 2733
- 3) Section Numbers: Proposed Action:
 2733.10 Repealed
 2733.20 Repealed
 2733.30 Repealed
- 4) Statutory Authority: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to

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establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, Illinois 60015-5209
 (847) 948-8500
 email: rmartine@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

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- a) A recipient must have been designated a Qualified Veteran by ISAC. (See: Section 2733.30(a).)
- b) A recipient must reside in Illinois unless the recipient is a member of the Armed Forces at the time of enrollment.
- c) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- d) Benefits are applicable to both undergraduate and graduate enrollment. There is no minimum credit hour enrollment requirements and benefits are applicable for non-credit courses.
- e) Benefits may be used to Enroll at Illinois public senior universities and Illinois public community colleges.
- f) Fees Exempted by the IVG
- 1) The recipient is exempted from paying most fees including:
 - A) Tuition and other instructional fees;
 - B) activity, air flight instructor and athletic fees;
 - C) matriculation, service and other registration-type fees;
 - D) off-campus and other extension course fees;
 - E) application fees;
 - F) graduation and transcript fees;
 - G) proficiency exam, College Level Exam Program (CLEP), placement exam and similar fees; and
 - H) health insurance fees.
 - 2) The recipient is responsible for payment of the following fees:
 - A) book rental fees;
 - B) laboratory and supply fees;
 - C) student union fees;
 - D) fees for the operation, maintenance or rental of any building, facility or equipment.
 - g) Recipients attending out-of-district community colleges receive Tuition and fee benefits equivalent to those at the in-district rate, unless sufficient funds are available to pay benefits in accordance with Section 2733.30(d)(5) of this Part. Recipients shall not be responsible for paying the difference between in-district and out-of-district tuition.
 - h) Benefits are limited to the equivalent of four Academic Years of Full-time enrollment.
 - 1) To determine the amount of eligibility a recipient has used, credit hours will be converted to "eligibility units" according to the following table:

Number of Hours	Semester Term	Quarter Term
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
up to 2.99 hours	1 unit	1 unit

2) Recipients may accumulate up to 120 eligibility units, after which eligibility for program benefits ceases. If a recipient

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- TITLE 23: EDUCATION AND CULTURAL RESOURCES
- SUBTITLE A: EDUCATION
- CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION
- PART 2733
- ILLINOIS VETERAN GRANT (IVG) PROGRAM (REPEALED)
- | | |
|---------|---------------------|
| Section | Summary and Purpose |
| 2733.10 | Grant Eligibility |
| 2733.20 | Program Procedures |

AUTHORITY: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

SOURCE: Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986, for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendment at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18748, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 16 Ill. Reg. 11261, effective July 1, 1992; amended at 17 Ill. Reg. 10570, effective July 1, 1993; amended at 18 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2733.10 Summary and Purpose

- a) Eligible IVG recipients are entitled to be exempt from paying Tuition and certain fees at public postsecondary institutions, as described in this Part. If appropriated Illinois Student Assistance Commission (ISAC) funds are insufficient to reimburse educational institutions for all eligible recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes Rules which govern the Illinois Veteran Grant (IVG) Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 17 Ill. Reg. 10570, effective July 1, 1993)

Section 2733.20 Grant Eligibility

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has accumulated less than 120 eligibility units, the recipient may receive full program benefits for one additional Term.

- 3) In the event that a recipient withdraws from a course(s) prior to the end of a Term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$300.00. The recipient withdraws from enrollment and incurs expenses of \$150.00 in accordance with the Institution's tuition refund policy. The recipient would use six eligibility units and would receive \$150.00 in benefits.

- 4) The eligibility units used for a non-credit course shall be the same as the number of eligibility units used for a credit course having the same number of faculty contact hours.

- i) If a student is eligible for both IVG and MAP, the IVG benefits must be used first. A student cannot decline IVG benefits in favor of using MAP.

(Source: Amended at 18 Ill. Reg. 10309, effective July 1, 1994)

Section 2733.30 Program Procedures

- a) An Applicant must apply to ISAC for designation as a Qualified Veteran. ISAC shall issue a notice of eligibility to an Applicant who is a Qualified Veteran as defined by this subsection.

1) Definition of "Qualified Veteran"

- A) Any person who served in the Armed Forces of the United States who:

- i) at the time of entering service was an Illinois resident or was an Illinois resident within 6 months prior to entering such service; and
- ii) who after leaving service returned to Illinois within 6 months; or
- iii) if married to a person in continued military service stationed outside Illinois, returned to Illinois within 6 months after his or her spouse's discharge; or
- iv) if married to a person in continued military service, applies for this grant program within 6 months of his or her spouse being stationed within Illinois.

- B) Any veteran who, at the time of entering the Armed Forces, was a student at a State-controlled college or university or community college and who, after leaving service, returned to Illinois within 6 months.

- C) Any member of the Armed Forces of the United States who has served at least one year of active duty and who would be a

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Qualified Veteran under this subsection if honorably discharged from such service.

- D) An individual is not a Qualified Veteran if the individual was discharged from the Armed Forces of the United States under less than honorable conditions. An individual is not a Qualified Veteran if the individual's active duty with the Armed Forces was for less than one year unless:

- i) the Veteran was honorably discharged from such service for medical reasons directly connected with such service; or

- ii) the Veteran was honorably discharged prior to August 11, 1967; or

- iii) the Veteran was honorably discharged from such service, part of which included duty in the Persian Gulf war or in military operations to aid Somalia.

- 2) The term "Armed Forces" shall be defined as the United States Army, Air Force, Navy, Marines and Coast Guard. Members of the Student Army Training Corps and a state's National Guard are not eligible for assistance under this Part.

- 3) The Applicant shall submit documentation of all periods of service to ISAC which demonstrates eligibility for designation as a Qualified Veteran.

- A) An Applicant should submit a copy of his or her Report of Separation (Form DD 214) with the application, which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs.

- B) If the Applicant does not have a copy of the DD 214, the Applicant should submit documentation which provides, the following information: date of entry; date of separation; type of discharge; total active service; home or place of entry into the service; and home or place of separation from the service. Such documentation must have been issued by the United States Department of Defense (DD) or the Veterans Administration.

- C) If the Applicant is a member of the Armed Forces at the time of application, the Applicant shall submit a copy of the original and/or current Enlistment Contract (Form DD4/194/3) and a letter from the commanding officer. If the veteran is in an initial enlistment, a copy of the original contract must be provided. If the veteran is on an enlistment extension, a copy of the current contract must be provided with the application as well as copies of all extension contracts. The letter from the commanding officer must indicate that the Applicant is a member of the Armed Forces at the time of application, must include the veteran's home of record at the time of original enlistment, must state the veteran's length of time in service and the expiration date of the current enlistment.

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- 4) If the Applicant's DD 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, the Applicant may verify Illinois residency by providing one or more of the documents listed below. The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 is not applicable to the Illinois Veteran Grant Program because applicability to the purposes of this program, can be established in six months.

- A) Illinois drivers license issued during the relevant six months period;
- B) Illinois high school or college transcripts demonstrating attendance during the relevant six month period;
- C) Utility bills/rent receipts in the Applicant's name for the relevant six month period;
- D) Illinois motor vehicle registration issued during the relevant six month period;
- E) Residential lease in the Applicant's name for the relevant six month period;
- F) Statement of benefits history from the Illinois Department of Public Aid for the relevant six month period;
- G) Statement of benefits from the Illinois Department of Employment Security for the relevant six month period;
- H) State of Illinois identification card issued during the relevant six month period; or
- I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

- 5) If an Applicant is designated a Qualified Veteran pursuant to subsection (a)(1)(C), such designation shall expire upon discharge from the Armed Forces.

- b) To receive an Illinois Veteran Grant, a Qualified Veteran must notify the Institution of his or her eligibility within three months following the last scheduled day of classes for the Term for which a grant is requested. A notice of eligibility from ISAC or an Illinois Veterans Scholarship (IVS) ID card from the Illinois Department of Veterans' Affairs may be used by the Institution to establish a Qualified Veteran's initial eligibility.

- c) Institutions shall submit a payment request to ISAC. The deadlines for submission of complete payment requests shall be September 15 for summer Terms; January 15 for first Term; and May 25 for second semester/second and third quarter. All claims, including supplemental claims, must be submitted no later than August 25. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending on September 30. When submitting payment requests, the Institution shall certify that the Qualified Veteran meets the requirements of Section 2733.20, Grant Eligibility.

- d) The reimbursement to Institutions for Illinois Veteran Grants is

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contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims, Institutions will be reimbursed in accordance with this subsection.

- 1) Summer Term claims received by the deadline date designated in subsection (c) will be paid, or prorated if funding is insufficient to pay all claims in full.
- 2) If funds remain after summer Term claims are paid, first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full.
- 3) If funds remain after first semester and first quarter claims are paid, then second semester/second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full.
- 4) If funds remain after second semester/second and third quarter claims are paid, claims received by ISAC after the designated deadline dates will be paid or prorated.
- 5) In the event funds are not exhausted, claims for the difference between in-district and out-of-district tuition will be paid for recipients who do not qualify for charge-backs, or prorated if funds remaining are insufficient to pay all such claims in full.

(Source: Amended at 20 Ill. Reg. 9200, effective July 1, 1996)

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Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program, language in the proposed new Section on Institutional Procedures related to payment claim processing reflects the change in the end of the State's lapse period from September 30 to August 31.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

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1) Heading of the Part: Illinois Veteran Grant (IVG) Program

2) Code Citation: 23 Ill. Adm. Code 2733

3) Section Numbers: Proposed Action:

2733.10 New

2733.20 New

2733.30 New

2733.40 New

4) Statutory Authority: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions.

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Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2733

ILLINOIS VETERAN GRANT (IVG) PROGRAM

Section	Summary and Purpose
2733.10	Applicant Eligibility
2733.20	Program Procedures
2733.30	Institutional Procedures
2733.40	

AUTHORITY: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

SOURCE: Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986 for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18778, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 16 Ill. Reg. 11261, effective July 1, 1992; amended at 17 Ill. Reg. 10570, effective July 1, 1993; amended at 18 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2733.10 Summary and Purpose

- a) Eligible IVG recipients are entitled to be exempt from paying tuition and certain fees at public postsecondary institutions, as described in this Part. If appropriated Illinois Student Assistance Commission (ISAC) funds are insufficient to reimburse educational institutions for all eligible recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes rules which govern the Illinois Veteran Grant (IVG) Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2733.20 Applicant Eligibility

- a) A qualified applicant shall be any member of the Armed Forces of the

ILLINOIS STUDENT ASSISTANCE COMMISSION

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United States who has served at least one year of active duty and has been honorably discharged from such service provided s/he:

- 1) was a resident of Illinois at the time of entering service and after leaving the service returned to Illinois within 6 months; or
 - 2) was an Illinois resident within 6 months prior to entering such service and after leaving the service returned to Illinois within 6 months; or
 - 3) if married to a person in continued military service stationed outside Illinois, returned to Illinois within 6 months after his or her spouse's discharge; or
 - 4) if married to a person in continued military service, applies for this grant program within 6 months after his or her spouse being stationed within Illinois; or
 - 5) was a student at an Illinois public university or community college at the time of entering the Armed Forces and, after leaving service, returned to Illinois within 6 months.
- b) A recipient must reside in Illinois unless the recipient is a member of the Armed Forces at the time of enrollment.
- c) Any member of the Armed Forces of the United States who has served at least one year of active duty and who meets the Illinois residency requirements of this Section (i.e., subsections (a) and (b)) is a qualified applicant if honorably discharged from such service. Upon discharge from the Armed Forces, the veteran shall be subject to verification of continued eligibility for assistance under this Part.
- d) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- e) An individual is not a qualified applicant if the individual was discharged from the Armed Forces of the United States under less than honorable conditions.
- f) An individual is not a qualified applicant if the individual's active duty with the Armed Forces was for less than one year unless:
- 1) the veteran was honorably discharged from such service for medical reasons directly connected with such service; or
 - 2) the veteran was honorably discharged prior to August 11, 1967; or
 - 3) the veteran was honorably discharged from such service, part of which included deployment to the Persian Gulf during the Persian Gulf War or duty in military operations to aid Somalia.
- g) Members of the Student Army Training Corps and a state's National Guard are not eligible for assistance under this Part.
- h) An applicant shall submit to ISAC an application and documentation of all periods of service which establish eligibility for this grant. Documentation which establishes an applicant's eligibility for this grant includes:
- 1) A copy of the applicant's Report of Separation (Form DD 214), which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs; or
 - 2) If the applicant does not have a copy of the DD 214, the

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applicant should submit documentation which provides the following information: date of entry; date of separation; type of discharge; total active service; home or place of entry into the service; and home or place of separation from the service. Such documentation must have been issued by the United States Department of Defense (DD) or the Veterans' Administration; or

3) If the applicant is a member of the Armed Forces at the time of application, the applicant shall submit a copy of the original and/or current Enlistment Contract (Form DD4/194/3) and a letter from the commanding officer. If the veteran is in an initial enlistment, a copy of the original contract must be provided. If the veteran is on an enlistment extension, a copy of the current contract must be provided with the application as well as copies of all extension contracts. The letter from the commanding officer must indicate that the applicant is a member of the Armed Forces at the time of application, must include the veteran's home of record at the time of original enlistment, and must state the veteran's length of time in service and the expiration date of the current enlistment.

4) If the applicant's DD 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, the applicant may verify Illinois residency by providing one or more of the documents listed below. The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 is not applicable to the Illinois Veteran Grant Program because residency, for the purposes of this program, can be established in six months.

- A) Illinois driver's license issued during the relevant six month period;
- B) Illinois high school or college transcripts demonstrating attendance during the relevant six month period;
- C) Utility bills/rent receipts in the applicant's name for the relevant six month period;
- D) Illinois motor vehicle registration issued during the relevant six month period;
- E) Residential lease in the applicant's name for the relevant six month period;
- F) Statement of benefits history from the Illinois Department of Public Aid for the relevant six month period;
- G) Statement of benefits from the Illinois Department of Employment Security for the relevant six month period;
- H) State of Illinois identification card issued during the relevant six month period; or
- I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

Section 2733.30 Program Procedures

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- a) An applicant must apply to ISAC for assistance under this Part. ISAC will issue a Notice of Eligibility to each qualified applicant.
- b) To receive an Illinois Veteran Grant, a qualified applicant must notify the institution of his or her eligibility within three months following the last scheduled day of classes for the term for which a grant is requested.
- c) Benefits are applicable to both undergraduate and graduate enrollment. There are no minimum credit hour enrollment requirements and benefits are applicable for noncredit courses.
- d) Benefits may be used to enroll at Illinois public universities and Illinois public community colleges.
- e) Fees exempted by the IVG:

- 1) The recipient is exempt from paying most fees, including:
 - A) tuition and other instructional fees;
 - B) activity, air flight instructor and athletic fees;
 - C) matriculation, service and other registration-type fees;
 - D) off-campus and other extension course fees;
 - E) application fees;
 - F) graduation and transcript fees;
 - G) proficiency exam, College Level Exam Program (CLEP), placement exam and similar fees; and
 - H) health insurance fees.
- 2) The recipient is responsible for payment of the following fees:
 - A) book rental fees;
 - B) laboratory and supply fees;
 - C) student union fees; and
 - D) fees for the operation, maintenance or rental of any building, facility or equipment.

- f) Recipients attending out-of-district community colleges receive tuition and fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-district and out-of-district tuition.

- g) Benefits are limited to the equivalent of four academic years of full-time enrollment, which is measured in eligibility units. Recipients may accumulate up to 120 eligibility units.

- 1) To determine the amount of eligibility a recipient has used, credit hours will be converted to eligibility units according to the following table:

Number of Hours	Semester Term	Quarter Term
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
up to 2.99 hours	1 unit	1 unit

- 2) Full program benefits may be extended for one additional term if

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the recipient has accumulated fewer than 120 eligibility units but does not have enough units remaining for the number of hours in which s/he is enrolled for the term.

- 3) In the event that a recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.

- 4) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course having the same number of faculty contact hours.

Section 2733.40 Institutional Procedures

- a) If a student is eligible for both IVG and MAP, the IVG benefits must be used first. A student cannot decline IVG benefits in favor of using MAP.
- b) A notice of eligibility from ISAC or an Illinois Veteran's Scholarship (IVS) ID card from the Illinois Department of Veterans' Affairs may be used by the institution to establish a qualified applicant's initial eligibility.
- c) Institutions shall submit a payment request to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2733.20, Applicant Eligibility.
- d) The deadlines for submission of complete payment requests shall be September 15 for summer terms; January 15 for first term; and May 25 for second semester/second and third quarter. All claims, including supplemental claims, must be submitted no later than August 1. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending on August 31.
- e) The reimbursement to institutions for Illinois Veteran Grants is contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims, institutions will be reimbursed in accordance with this subsection:
 - 1) summer term claims received by the deadline date designated in subsection (d) will be paid, or prorated if funding is insufficient to pay all claims in full;
 - 2) if funds remain after summer term claims are paid, first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all

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- claims in full;
- 3) if funds remain after first semester and first quarter claims are paid, then second semester/second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;
 - 4) if funds remain after second semester/second and third quarter claims are paid, claims received by ISAC after the designated deadline dates will be paid or prorated; and
 - 5) if funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid for recipients who do not qualify for chargebacks, or prorated if funds remaining are insufficient to pay all such claims in full.

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- 1) Heading of the Part: Limitation, Suspension and Termination Proceedings

- 2) Code Citation: 23 Ill. Adm. Code 2790

- 3) Section Numbers: Proposed Action:

2790.10	Amended
2790.20	Amended
2790.30	Amended
2790.40	Amended
2790.50	Amended
2790.60	Amended
2790.70	Amended
2790.80	Amended
2790.90	Amended
2790.100	Amended
2790.110	Amended
2790.120	Amended
2790.130	Amended
2790.140	Amended

- 4) Statutory Authority: Implementing and authorized by Higher Education Student Assistance Act [110 ILCS 947] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

To summarize the changes to this Part: For ease of reference, some definitions have been added as proposed amendments to General Provisions 23 Ill. Adm. Code 2700.20, Definitions. The qualifications necessary to serve as a hearing officer have been added to Section 2790.140, Hearings. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

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- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:
- Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(708) 948-8500
email: rmartinez@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed amendments begins on the following page:

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NOTICE OF PROPOSED AMENDMENT(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2790

LIMITATION, SUSPENSION AND TERMINATION PROCEEDINGS

Section	Summary and Purpose
2790.10	Definitions
2790.20	Informal Compliance Procedures and Pre-Hearing Conferences
2790.30	Emergency Action
2790.40	Suspension Proceedings
2790.50	Limitation or Termination Proceeding
2790.60	Decisions
2790.70	Verification of Mailing and Receipt Dates
2790.80	Limitation
2790.90	Termination
2790.100	Payment Period
2790.110	Reimbursements, Refunds, Offsets and Penalties
2790.120	Reinstatement After Termination
2790.130	Hearings
2790.140	Matrix (Repealed)

APPENDIX A

AUTHORITY: Implementing and authorized by the Higher Education Student Assistance Act [110 ILCS 947] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).

SOURCE: Adopted at 6 Ill. Reg. 11638, effective September 13, 1982; codified at 7 Ill. Reg. 9926; amended at 9 Ill. Reg. 20836, effective January 1, 1986; amended at 11 Ill. Reg. 3214, effective January 29, 1987; transferred from Chapter IX, 23 Ill. Adm. Code 1790 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2790 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17861; amended at 15 Ill. Reg. 14264, effective September 23, 1991; amended at 16 Ill. Reg. 11269, effective July 1, 1992; amended at 20 Ill. Reg. 9206, effective July 1, 1996; amended at 21 Ill. Reg. _____, effective _____.

Section 2790.10 Summary and Purpose

- a) This Part establishes rules for the limitation, suspension or termination ~~Limitation--Suspension--or--Termination~~ of an otherwise eligible institution ~~institution~~ or applicant ~~Applicant~~ participating in any or all of the student assistance programs administered by the Illinois Student Assistance Commission (ISAC). These rules apply to an applicant ~~Applicant~~ who and an institution ~~institution~~ which violates the provisions of the statutes, rules, regulations ~~Rules~~ ^{Regulations}, special arrangements, agreements⁷ or limitations

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Limitations set forth in Lender Agreements or Program Participation Agreements and the Higher Education Act of 1965, as amended (20 USC 1070 et seq.), including but not limited to: the provisions dealing with the Guaranteed Student Loan Programs (20 USC 1071); Need Analysis (20 USC 1087kk); General Provisions Relating to Student Assistance Programs (20 USC 1088); Teacher Scholarships and Fellowships (20 USC 1111); and the regulations of the Secretary of Education relating to student assistance programs, under the Higher Education Act of 1965, as amended, including but not limited to: Institutional Eligibility (34 CFR 600); Paul Douglas Teacher Scholarship Program (34 CFR 653); Student Assistance General Provisions (34 CFR 668); Guaranteed Student Loan and PLUS Programs (34 CFR 682); and the State Student Incentive Grant Program (34 CFR 692).

b) This Part establishes rules which govern the limitation, suspension, ~~limitation~~, ~~---Suspension~~ or termination proceedings ~~termination-proceedings~~. Additional Rules and Definitions are contained in General Provisions, 23 Ill. Adm. Code 2700. **Defined terms are indicated by the first-letter-being-capitalized.**

c) The purpose of this Part is to protect the integrity of the programs and to guard against losses on behalf of the applicant **Applicant**, the lender **Bender**, the school **School**, ISAC or the federal government **Federal-Government**.

d) ISAC's failure to invoke the provisions contained in this Part does not, however, automatically imply compliance or lessen an **Applicant's** or an institution's **Institution's** obligation to follow federal or State rules and regulations governing scholarships, grants, and loan programs. Any **action Action** taken under this Part will not affect an **Applicant's** **Applicant's** or an institution's **Institution's** responsibility to fulfill the requirements of the Higher Education Act, federal regulations or ISAC policies and procedures applicable to outstanding scholarships, grants and loan programs. Further, any **action Action** taken under this Part will not affect an **Applicant's** **Applicant's** or an institution's **Institution's** rights, if any, to benefits or payments that are based on prior participation in the programs.

e) This Part does not apply to:

- 1) a determination that an institution **Institution** fails to meet the definition of an institution **Institution** of higher education, a proprietary institution **Institution** of higher education, a postsecondary vocational institution **Institution**, as defined in Section 481 of the Higher Education Act of 1965, as amended (20 USC 1085(c)), or an eligible lender **Bender**, as defined in Section 435(d) of the Higher Education Act of 1965, as amended (20 USC 1085(d));
- 2) a determination of a school's **School's** loss of eligibility by the Secretary of Education due to its default experience (see Section 435(a)(2) of the Higher Education Act of 1965, as amended);
- 3) any administrative **action Action** taken by the U.S. Department of

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Education against a lender **Bender** (34 CFR 682.700 - 682.713), an educational institution **Institution** (34 CFR 668.81 - 668.98), or an individual (34 CFR 85.300 - 85.420);

4) any administrative **action Action** taken by the Illinois Department of Professional Regulation, the Illinois State Board of Education or the Illinois Board of Higher Education terminating, suspending or limiting an educational institution's **Institution's** authority to offer educational programs within the State of Illinois; or

5) any administrative **action Action** taken by a nationally-recognized accreditation association (see Section 496 of the Higher Education Act of 1965, as amended) terminating, suspending or limiting an educational institution's **Institution's** accreditation status.

In any such case, ISAC shall terminate the participation of the institution **Institution** by sending notice of such termination **termination**, certified mail return receipt requested (see Section 2790.80).

f) ISAC recognizes the U.S. Department of Education's corresponding federal regulations, namely Limitation, Suspension or Termination of Lender Eligibility Under the Guaranteed Student Loan Program and the PLUS Program (34 CFR 682.700 - 682.713), Fine, Limitation, Suspension and Termination Proceedings as applied to educational institutions **Institutions** (34 CFR 668.81 - 668.98), and Debarment and Suspension proceedings as applied to persons (34 CFR 85.300 - 85.420).

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.20 Definitions

"Action" - An administrative proceeding conducted under this Part.

"Administrative Error" - Conduct resulting in the loss of a loan guarantee, creating a financial liability, or resulting in a refund due ISAC or the U.S. Department of Education, including but not limited to: overbilling interest, failing to cancel loans on a timely basis, failing to make timely refunds, overbilling of interest subsidy and special allowance, due diligence violations in making, disbursing, and servicing loans or conduct resulting in obtaining scholarship and/or grant **funds Funds** for which the Institution or Applicant is not entitled.

"Admonishment" - A written reprimand which warns the institution **Institution** or applicant **Applicant** that a repeat of the same offense will be subject to a penalty of greater severity. Admonishments shall be a matter of public record and may be imposed in lieu of a more severe sanction.

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"Applicant"---Any individual who requests--ISAC--consideration--for--a scholarship--grant--tuition-waiver--or-guaranteed-loan--

"Borrower"---A--student-or-parent-to-whom-a-subsidized-or-unsubsidized Stafford-PBUS-SES-or-IGP-loan-is-or-has-been-made-

"Funds" - Any money, commitments to provide money, and commitments of insurance or reinsurance provided under any or all programs.

"Hearing Officer" - An impartial person, appointed by the Executive Director of ISAC, or the Executive Director's designee, with no prior involvement with the facts giving rise to the limitation, suspension or termination action ~~limitation-suspension-or-termination-action~~, who is either:

an attorney who has been admitted to practice law in Illinois for at least five years preceding appointment by the Executive Director and possesses those additional qualifications as are necessary to obtain appointment as an arbitrator pursuant to Section 2-1003A of the Mandatory Arbitration System in Illinois [735 ILCS 5/2-1003A]; or

a person who is an arbitrator qualified by the American Arbitration Association; or

any other person who meets the qualifications for the position of Administrative Law Judge for the federal government ~~federal government~~.

"Institution" - For purposes of this Part, any educational or lending institution which participates in any ISAC program(s).

"ISAC Official" - Any official of ISAC to whom the Executive Director has delegated the responsibility of initiating and pursuing an action under this Part.

"Lender" - Defined by Section 435(d) of the Higher Education Act of 1965, as amended (20 USC 1085(d)).

"Limitation" - The continuation of an applicant's Applicant's or an institution's institution's eligibility for any or all programs subject to compliance with special conditions or restrictions which have been established by ISAC as necessary for the institutions institution's initial or continued participation in ISAC programs.

"School" - An institution institution eligible to participate in the programs established by the Higher Education Act of 1965, as amended, including an institution institution of higher education (as defined

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in 34 CFR 600.4), a proprietary institution institution of higher education (as defined in 34 CFR 600.5), and a postsecondary vocational institution institution (as defined in 34 CFR 600.6).

"Suspension" - The removal of an applicant's Applicant's or an institution's institution's eligibility for any or all ISAC programs for a specified period of time or until the problem that initiated the limitation, suspension or termination limitation-suspension-or-termination proceeding(s) is resolved.

"Termination" - The unqualified removal of an applicant's Applicant's or an institution's institution's eligibility for any or all programs for an indefinite period of time, but in no event less than 18 months.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.30 Informal Compliance Procedures and Pre-Hearing Conferences

a) If the Executive Director receives a complaint or other information which the Executive Director believes to be reliable, indicating that an applicant Applicant or an institution institution is, or may be, in violation of applicable laws, regulations Regulations, special arrangements, agreements, Rules Rules or limitations limitations, the Executive Director may call the matter to the attention of the applicant Applicant or the institution institution and may provide a reasonable opportunity to:

- 1) respond to the complaint or other information;
- 2) show that the matter has been corrected; or
- 3) submit an acceptable plan to correct the violation and prevent its recurrence.

b) The procedures provided in this Part for suspension, limitation Suspension-limitation or termination Termination need not be delayed during the informal compliance procedure if the Executive Director believes the:

- 1) delay would have an adverse effect on any or all programs administered by ISAC; or
- 2) informal compliance procedure will not result in a correction of the alleged violation.

c) The purpose of a pre-hearing conference is to allow the parties to settle or narrow the dispute.

- 1) The pre-hearing conference may be convened at the request of ISAC, the affected applicant Applicant or institution institution, or the hearing officer Hearing-Officer.
- 2) The scope of a pre-hearing conference is to discuss matters relating to the proposed action, including settlement without a hearing, or the narrowing of legal or factual issues to be resolved at the hearing.

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- 3) The pre-hearing conference is not subject to any procedural requirements except as may be mutually agreed upon by ISAC, the applicant Applicant, and/or the institution.
- 4) The pre-hearing conference may be held in any manner, including telephone conference call, an informal meeting or written submission of materials from the applicant Applicant or the institution to the ISAC Official.
- 5) As a result of the pre-hearing conference, the ISAC Official and the applicant Applicant or the institution may enter into a prehearing agreement whereby both the ISAC Official and the applicant Applicant or the institution stipulate in writing, signed by the parties, to certain facts, points of law, regulations, or policies and procedures.
- 6) The Executive Director and the applicant Applicant or the institution may enter into a written consent agreement which fully or partially settles the dispute between the parties. The consent agreement may specify that any pending hearing shall be canceled.
- 7) A violation of any of the provisions of the consent agreement shall constitute the basis for a termination action termination against an applicant Applicant or an institution.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.40 Emergency Action

- a) The Executive Director may take emergency action Action to withhold funds Funds from an applicant Applicant or an institution or its associated students, and to withdraw the authority of an applicant Applicant or an institution to participate in ISAC administered programs if the Executive Director:
 - 1) receives information which he believes to be reliable that an applicant Applicant or an institution is in violation of applicable laws, regulations, rules Regulations, special arrangements, agreements or limitations which had been previously established;
 - 2) determines that such action Action is necessary to prevent the likelihood of substantial loss of funds Funds to the State, to ISAC, to the U.S. Department Education, to borrowers or to the students associated with the institution; and
 - 3) determines that the likelihood of loss requires immediate action Action prior to completion of the procedures set forth in this Part for limitation, suspension limitation or termination.

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- b) The Executive Director begins an emergency action Action by notifying the applicant Applicant or institution by certified mail with return receipt requested, of the action Action and the basis for the action. The effective date of the action Action is the date on which the notice is received by the applicant Applicant or the institution. The notice shall state:
 - 1) the basis of the emergency action Action;
 - 2) the consequences of the emergency action Action to the applicant Applicant or the institution;
 - 3) that the applicant Applicant or the institution may request an opportunity to show cause why the emergency action Action is unwarranted; and
 - 4) that the failure to request an opportunity to show cause why the emergency action Action is unwarranted, at least 5 days before within the effective date, is a waiver of that right.
- c) An emergency action Action shall not exceed 30 days unless a limitation, suspension limitation or termination proceeding is begun under this Part before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission.
- d) An emergency action Action may be terminated upon the Executive Director's verification that the applicant Applicant or the institution has corrected all violations on which the emergency action was based. Verification includes, but is not limited to, submitting documentation showing that the violation(s) has been corrected or submitting an acceptable plan for correcting the violation(s) and preventing a recurrence(s).

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.50 Suspension Proceedings

- a) Scope and Consequences: From its effective date, a suspension removes an applicant's Applicant's or an institution's eligibility for any or all ISAC programs for a period of time not exceeding 60 days unless the:
 - 1) applicant Applicant or the institution and the Executive Director agree to an extension; or
 - 2) Executive Director begins a limitation or termination proceeding.
- b) Procedures: The Executive Director begins a suspension proceeding by sending a notice to an applicant Applicant or an institution by certified mail with return receipt requested. The notice must:
 - 1) inform the applicant Applicant or the institution of the intent of ISAC to suspend the applicant's Applicant or the institution's eligibility, cite the consequences of

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that action and identify the alleged violations which constitute the basis for the action;

- 2) specify the proposed effective date of the suspension Suspension, which shall be at least 20 days after the date of mailing of notice of intent;
 - 3) inform the applicant Applicant or the institution Institution that the suspension Suspension will be effective on the date specified in the notice unless the Executive Director receives, at least 5 days before the proposed effective date, a request for a hearing or written material indicating why the suspension Suspension should not take place;
 - 4) invite voluntary efforts to correct the violation(s) which led to the commencement of the action; and
 - 5) inform the applicant Applicant or the institution Institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant Applicant or the institution Institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant Applicant or the institution Institution that the:
- 1) proposed suspension Suspension is dismissed; or
 - 2) suspension Suspension is effective as of a specified date.
- d) Notice of Suspension will be promptly mailed to the applicant Applicant or the institution Institution. The suspension Suspension takes effect either upon the date on which the notice is received by the applicant Applicant or the institution Institution or the originally proposed effective date stated in the notice of intent, whichever is later.
- e) A suspension Suspension shall not exceed 60 days unless a limitation Limitation or termination Termination proceeding is begun under this Section before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission. (See Section 2790.70, Recommended and Final Decisions.)
- f) If the applicant Applicant or the institution Institution requests a hearing at least 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.60 Limitation or Termination Proceeding

- a) Scope and Consequences consequences: From its effective date, a limitation Limitation or termination Termination shall either:

- 1) result in limitations Limitations on an applicant's Applicant's or an institution's Institution's eligibility; or
- 2) end the eligibility of an applicant Applicant or an institution

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Institution for any or all programs administered by ISAC.

b) Procedures: The Executive Director begins a limitation Limitation or termination Termination proceeding, whether or not a suspension Suspension proceeding or an emergency action Action has begun, by sending an applicant Applicant or an institution Institution a notice, by certified mail with return receipt requested. This notice must:

- 1) inform the applicant Applicant or the institution Institution of the intent of ISAC to limit or terminate the applicant's Applicant's or the institution's Institution's eligibility, cite the consequences of that action Action and identify the alleged violations which constitute the basis for the action Action, and in the case of a limitation Limitation proceeding, state the limits to be imposed;
 - 2) specify the proposed effective date of the limitation Limitation or termination Termination which shall be at least 20 days after the date of mailing of the notice of intent;
 - 3) inform the applicant Applicant or institution Institution that the limitation Limitation or termination Termination will not be effective on the date specified in the notice if the Executive Director receives, at least 5 days before the proposed effective date, a request for a hearing or written material indicating why the limitation Limitation or termination Termination should not take place;
 - 4) invite voluntary efforts to correct the violation(s) which led to the initiation of the action Action; and
 - 5) inform the applicant Applicant or the institution Institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant Applicant or the institution Institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant Applicant or the institution Institution that the:
- 1) proposed action Action is dismissed; or
 - 2) limitations Limitations are effective as of a specified date; or
 - 3) termination Termination is effective as of a specified date.
- d) If the applicant Applicant or the institution Institution requests a hearing, at least 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.
- e) If the applicant Applicant or the institution Institution wishes to appeal the decision of the hearing officer Hearing-Officer, the procedures outlined in Section 2790.70, Recommended and Final Decisions, shall be followed.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.70 Decisions

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- a) The hearing officer Hearing--Officer issues a decision based on findings of fact and conclusions of law. Findings of fact shall be based only on evidence considered at the hearing and matters of which official notice has been taken. A recommended decision must be issued no later than 30 days after the conclusion of the hearing.
- b) The hearing officer's Hearing--Officer's decision will be promptly mailed to all parties.
- c) The hearing officer's Hearing--Officer's decision may be appealed to the Commission by filing exceptions to the decision and a brief in support of those exceptions no later than 20 days after the receipt of the decision. The opposing party shall have 20 days from the receipt of the exceptions and supporting brief to file a response. If no timely exceptions are filed, the party will be deemed to have waived any exceptions and the hearing officer's Hearing--Officer's decision shall be implemented.

- 1) All exceptions, briefs, and reply briefs shall be filed with the Executive Director.
- 2) Each exception shall set forth specifically the questions of procedure, fact, law or policy to which exceptions are taken and shall identify that part of the hearing officer's Hearing Officer's decision to which objection is made. The supporting brief shall designate, by precise citation of pages, the portions of the record relied upon and shall state the grounds for the exceptions and a citation of authorities.

- 3) The Executive Director shall submit to the Commission the hearing officer's Hearing--Officer's decision, exceptions and briefs.

- d) The decision of the hearing officer Hearing--Officer does not take effect while an appeal is pending, unless the Commission determines that a stay would produce a serious and adverse effect upon the programs involved.

- e) In the case of an appeal, the Commission issues a final administrative decision affirming, modifying, or reversing the hearing officer's Hearing--Officer's decision, including a statement of reasons for the decision.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.80 Verification of Mailing and Receipt Dates

- a) ISAC's verification of the mailing dates and receipt dates referred to in this Part is evidenced by the original receipt from the U.S. Postal Service.
- b) If an applicant Applicant or an institution Institution refuses to accept a notice mailed under this Section section, ISAC considers the notice received on the date the applicant Applicant or the institution Institution refuses to accept the notice.

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(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.90 Limitation

A Limitation Limitation may include, as appropriate to the program in question: a) a limit on the number or percentage of students enrolled Enrolled in an educational institution Institution who may receive ISAC administered funds;

- b) a limit on the guaranteed loans Guaranteed--loans that a lending institution may make, purchaser or hold;
- c) a requirement that an institution Institution obtain and continue to hold in force and effect a bond, in a specified amount, to assure its ability to meet its financial obligations to students who receive ISAC funds Funds; or
- d) such other conditions as may be determined to be reasonable and appropriate.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.100 Termination

A termination Termination may include, as appropriate to the program in question:

- a) ending an applicant's Applicant's or an institution's Institution's eligibility for any or all gift assistance Gift--Assistance programs administered by ISAC;
- b) prohibiting an institution Institution from making or increasing financial aid awards administered by ISAC;
- c) prohibiting an institution Institution from making any new obligations against funds Funds administered by ISAC;
- d) prohibiting additional ISAC Guaranteed Student Loans for students enrolled Enrolled at that institution Institution or additional guaranteed student loans for an applicant Applicant;
- e) prohibiting a lending institution Institution from obtaining ISAC guarantees for any borrowers after the effective date of the termination Termination; or
- f) prohibiting a lending institution Institution from disbursing loan proceeds.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.110 Payment Period

- a) If an educational institution Institution is terminated during a payment period, any eligible recipient at that school School who has

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- received an award or to whom a commitment has been made before the effective date of termination Termination may receive payment for that payment period.
- b) The payment period for grant programs is the academic year Academic year or from the midpoint to the end of the academic year Academic year and for loan programs is the period certified on the loan.
- c) If a lending institution institution is terminated, the lender Bender shall proceed with due diligence on all loans made prior to the effective date of the termination Termination.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.120 Reimbursements, Refunds, Offsets and Penalties

- a) The Executive Director, appointed hearing officer Hearing-officer, or the Commission may require an applicant Applicant or an institution Institution to take reasonable and appropriate corrective action to remedy a violation of applicable laws, regulations Regulations, special arrangements, agreements or limitations limitations Terminations.
- b) The corrective action may include payment of any funds funds to ISAC, or to designated recipients, that the applicant Applicant or the institution Institution improperly received, withheld, disbursed or caused to be disbursed.
- c) If any final decision requires an applicant Applicant or an institution Institution to reimburse or make any other payment to ISAC, ISAC may deduct these claims from any benefits or claims due the applicant Applicant or the institution Institution.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.130 Reinstatement After Termination

- a) An applicant Applicant or an institution Institution whose eligibility has been terminated may not file a request for reinstatement until 18 months after the effective date of termination Termination.
- b) After the minimum termination Termination period, the applicant Applicant or the institution Institution may request Commission reinstatement of its eligibility. The request must be in writing and must show that the applicant Applicant or the institution Institution has corrected the violations on which the termination Termination was based; has paid in full all liabilities, reimbursements and refunds; and meets all qualifications for eligibility.
- c) Within ninety days after receipt of the request for reinstatement, the Commission shall respond to the applicant Applicant or the institution Institution by:
- 1) granting its request;

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- 2) denying its request;
 - 3) granting the request subject to other limitations Limitations; or
 - 4) conducting a program review to determine that all violations have been corrected, in accordance with Section 2700.60, Audits and Investigations.
- d) If the Commission denies the request or establishes limitations Limitations, the applicant Applicant or the institution Institution, upon request, will be granted an opportunity to show cause why its eligibility should be fully reinstated.
- e) The applicant's Applicant's or the institution's Institution's request for a show cause meeting shall not waive the right to participate in any or all programs administered by the Commission if it complies with such continuing limitations Limitations pending the outcome of the meeting.
- f) A school School that is also a lender Bender and whose eligibility as a participating school School has been terminated, may not be considered for reinstatement as a lender Bender until it is reinstated as an eligible school School.
- g) If a request for reinstatement is denied, the applicant Applicant or the institution Institution may request reinstatement 18 months after the most recent request, unless the Commission agrees to consider an earlier request.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 2790.140 Hearings

- a) If the applicant Applicant or the institution Institution requests a hearing at least 5 days before the proposed effective date of a suspension, limitation Suspension, ---limitation or termination Termination, the Executive Director sets the date and place for the hearing. The date will be at least 15 days after the Executive Director receives the request.
- b) A hearing officer Hearing-officer appointed by the Executive Director, or the Executive Director's designee, conducts the hearing on the record. The hearing officer shall be an impartial person, with no prior involvement with the facts pertaining to the limitation, suspension or termination action, who is either:
- 1) an attorney who has been admitted to practice law in Illinois for at least five years preceding appointment by the Executive Director, or his/her designee, and possesses those additional qualifications as are necessary to obtain appointment as an arbitrator pursuant to Section 2-1003A of the Mandatory Arbitration System in Illinois (735 ILCS 5/2-1003A); or
 - 2) a person who is an arbitrator qualified by the American Arbitration Association; or
 - 3) any other person who meets the qualifications for the position of

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- Administrative Law Judge for the federal government.
- c) The hearing officer Hearing-Officer shall regulate the course of the proceedings, and the conduct of the parties during the hearing, provide for the orderly presentation of arguments and evidence, and shall take all steps necessary to conduct a fair and impartial hearing.
- d) The hearing officer Hearing-Officer shall take whatever measures are appropriate to expedite the proceedings, proceeding which may include, but are not limited to:
- 1) scheduling of pre-hearing conferences;
 - 2) restricting the number or length of submissions;
 - 3) accepting stipulations as to facts and legal authorities;
 - 4) setting time limits for hearings and submission of written documents; and
 - 5) declaring any party who fails to comply with a valid order of the hearing officer Hearing-Officer to be in default, terminating the proceedings, proceeding and issuing a decision against the non-complying party.
- e) At the hearing, the appointed hearing officer Hearing-Officer shall consider any written material presented before the hearing, or any material or other evidence presented during the course of the hearing. The hearing shall be conducted in accordance with Article 10 of the Administrative Procedure Act [5 ILCS 100/Art. 10].
- f) The hearing officer Hearing-Officer shall not have authority to issue subpoenas. If requested by the hearing officer Hearing-Officer, ISAC, the applicant Applicant and/or the institution Institution shall provide persons who have knowledge about the matter under review for oral or written examination.
- g) The ISAC official Officer has the burden of proof by a preponderance of the evidence in any suspension, limitation Suspension--Limitation or termination Termination hearing.
- h) The hearing officer Hearing-Officer shall only accept evidence that is relevant to the proceedings, proceeding and not unduly repetitious.
- i) The hearing officer Hearing-Officer shall base findings of fact only on evidence considered at the hearing and on matters given judicial notice.
- j) If, after considering the evidence, the appointed hearing officer Hearing-Officer concludes that a suspension, limitation, termination Suspension--Limitation--Termination or penalty is warranted, the hearing officer Hearing-Officer will issue a decision that may suspend, limit, terminate or affect the applicant's Applicant or the institution's Institution's eligibility in whole or in part.
- k) If a termination Termination proceeding is brought against an applicant Applicant or an institution Institution, the appointed hearing officer Hearing-Officer may, at his or her discretion, issue a decision to impose one or more limitations Limitations or penalties on an applicant Applicant or an institution Institution rather than terminating its eligibility.

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- l) Expedited Hearing: With the approval of the hearing officer Hearing Officer and the mutual consent of the parties, any time schedule specified in this Section may be shortened.
- m) The applicant Applicant or the institution Institution may be represented by legal counsel at a hearing, but ISAC is under no obligation to provide such counsel.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Merit Recognition Scholarship (MRS) Program
- 2) Code Citation: 23 Ill. Adm. Code 2761
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2761.10	Repealed
2761.20	Repealed
2761.30	Repealed
2761.40	Repealed
- 4) Statutory Authority: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.x0 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

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- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2761

MERIT RECOGNITION SCHOLARSHIP (MRS) PROGRAM (REPEALED)

Section	Summary and Purpose
2761.10	Definitions
2761.20	Program Procedures
2761.30	Program Procedures (Repealed)
2761.40	Program Procedures (Repealed)

AUTHORITY: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

SOURCE: Adopted at 9 Ill. Reg. 10277, effective July 5, 1985; amended at 9 Ill. Reg. 20849, effective January 1, 1986; amended at 11 Ill. Reg. 3220, effective January 29, 1987; amended at 11 Ill. Reg. 14127, effective August 10, 1987; amended at 12 Ill. Reg. 11543, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1761 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2761 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17863; amended at 14 Ill. Reg. 10578, effective July 1, 1990; amended at 16 Ill. Reg. 11290, effective July 1, 1992; amended at 17 Ill. Reg. 10579, effective July 1, 1993; amended at 18 Ill. Reg. 10318, effective July 1, 1994; amended at 20 Ill. Reg. 9215, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2761.10 Summary and Purpose

- a) The Merit Recognition Scholarship Program encourages and rewards the distinguished academic achievement of Illinois high school graduates, without regard to financial need. The scholarship is a \$1,000 award which must be used for enrollment at an approved Illinois postsecondary institution or any Service Academy.
- b) This Part establishes rules which govern that Merit Recognition Scholarship Program. Additional rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized. Statutory language is italicized.

(Source: Amended at 18 Ill. Reg. 10318, effective July 1, 1994)

Section 2761.20 Definitions

"Approved High School" - means any public high school located in this State; and any high school located in this State or elsewhere (where

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designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those of public high schools located in this State. (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Cumulative Grade Point Average" - means the average grade earned throughout a student's educational program. The calculation shall be consistent with the Institution's established policy or practice and shall be the same as those completed for admission, placement, or other similar purposes.

"Eligible Applicant" - means a student from any approved high school located in this State whose 7th semester cumulative high school grade point average is at or above the 95th percentile, or 90th percentile with respect to students who graduated from such an approved high school during the 1986-87 or 1987-88 school year, of his or her high school class, and who by reason thereof is entitled to apply for scholarships to be awarded under this Section. (Section 30(a) of the Higher Education Student Assistance Act [110 ILCS 947/30(a)])

"Graduating Class" - The total number of students to complete the high school's program of instruction and graduate within an Academic Year.

"Qualified Student" - means a person: of good moral character who is a resident of this State and a citizen or permanent resident of the United States, who, as an eligible applicant, has made a timely application for merit recognition scholarship under this Section, who has successfully completed the program of instruction at any approved high school located in this State, and who enrolls or is enrolled in a qualified Illinois institution of higher learning or a Service Academy as an undergraduate student or cadet and has not received a baccalaureate degree. (Section 30(a) of the Higher Education Student Assistance Act [110 ILCS 947/30(a)])

"Service Academy" - means the U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy, hereinafter referred to as an "Institution".

"Seventh Semester" - means the period of instruction, at the completion of which, a student has completed eighty percent of the Approved High School's program of instruction. The seventh semester will usually be the student's next to last Term.

(Source: Amended at 20 Ill. Reg. 9215, effective July 1, 1996)

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Section 2761.30 Program Procedures

a) In February of every year, approved High Schools in Illinois shall certify to the Illinois Student Assistance Commission (ISAC) the names of students who are Eligible Applicants.

1) The certification of names shall be submitted on forms provided by ISAC. Certifications submitted by Approved High Schools shall be subject to audit by ISAC.

2) ISAC shall then promptly notify those Eligible Applicants who are reasonably assured of receiving Merit Recognition Scholarships in accordance with annual funding levels recommended in the Governor's Budget.

3) Eligible Applicants must have completed their Seventh Semester of instruction at an Approved High School in Illinois.

b) Eligible Applicants shall be sent a Merit Recognition Scholarship application which must be completed by the student and the postsecondary Institution attended by the Applicant. A complete application must be received by ISAC within one year of High School Graduation but absolutely no later than June 15th of the Academic Year immediately following graduation from the Approved Illinois High School. Should the recipient transfer to a different Institution after submission of the application, the enrollment transfer must be reported to ISAC in order to receive scholarship payments.

c) ISAC shall disburse scholarship funds in two increments based on the Terms financed by the scholarship. Scholarship funds may be used to finance expenses for a summer Term.

1) The application form constitutes a request for payment of first Term benefits. ISAC shall issue payment request rosters for Institutions to request payment for subsequent Terms.

2) Funds shall be remitted to Institutions on behalf of the Qualified Students. When requesting payment of scholarship funds, the Institution shall certify that the recipient is: a U.S. Citizen or Eligible Noncitizen; a Resident of Illinois; of Good Moral Character; accepted for enrollment on at least a half-time basis; not the recipient of a baccalaureate degree.

3) Upon receipt of scholarship funds, the Institution shall verify the recipient's enrollment status. If the recipient is Enrolled, the Institution may credit the disbursement funds to the recipient's account for expenses then due and payable. The balance of the disbursement shall be released to the recipient.

4) If the recipient has withdrawn from enrollment or drops to less than half-time enrollment prior to receiving funds, the Institution shall notify ISAC to prevent payment processing or, if funds have been received by the Institution, the Institution shall return the full amount of the funds to ISAC.

d) Scholarship funds are applicable to two semesters or three quarter Terms and must be used for educational expenses, including, but not limited to, Tuition and fees, room and board, books and supplies,

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required Service Academy uniforms, and travel and personal expenses related to the recipient's enrollment.

e) Should the recipient withdraw from enrollment during the first Term financed by the scholarship, the recipient shall return to ISAC the full amount of funds disbursed.

f) Notwithstanding the previous provisions of this Section, students who graduated during the 1986-87 or 1987-88 school year whose grade point averages were at or above the 90th percentile of their high school class and who were otherwise eligible to apply for a scholarship under this Part shall:

- 1) be eligible for a scholarship in the amount of \$500;
- 2) have had their names certified as Eligible Applicants by Approved High Schools on forms submitted to ISAC;
- 3) have submitted an application to the Institution at which they are currently enrolled by November 15 of the academic year in which funds have been appropriated for this purpose;
- 4) have institutions verify that the Qualified Student is: a U.S. Citizen or Eligible Noncitizen; a Resident of Illinois; of Good Moral Character; accepted for enrollment on at least a half-time basis; and is not the recipient of a baccalaureate degree;
- 5) have the scholarships awarded under this subsection provided by a separate appropriation of the General Assembly; and
- 6) have a scholarship awarded by ISAC in order of decreasing percentile as determined by their 7th semester cumulative high school grade point average, if funds appropriated are insufficient to provide all Qualified Students with an award.

(Source: Amended at 20 Ill. Reg. 9215, effective July 1, 1996)

Section 2761.40 Program Procedures (Repealed)

(Source: Repealed at 14 Ill. Reg. 10578, effective July 1, 1990)

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NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Merit Recognition Scholarship (MRS) Program
- 2) Code Citation: 23 Ill. Adm. Code 2761
- 3) Section Numbers: Proposed Action:
 2761.10 New
 2761.20 New
 2761.30 New
- 4) Statutory Authority: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, and Section xxxx.30 Program Procedures). For ease of reference, ISAC proposes that all definitions be moved to General provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the

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Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

No substantive changes have been made to this program. However, due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, IL 60015-5209
 (847) 948-8500

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email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2761

MERIT RECOGNITION SCHOLARSHIP (MRS) PROGRAM

Section

2761.10 Summary and Purpose
2761.20 Applicant Eligibility
2761.30 Program Procedures

AUTHORITY: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

SOURCE: Adopted at 9 Ill. Reg. 10277, effective July 5, 1985; amended at 9 Ill. Reg. 20849, effective January 1, 1986; amended at 11 Ill. Reg. 3220, effective January 29, 1987; amended at 11 Ill. Reg. 14127, effective August 10, 1987; amended at 12 Ill. Reg. 11543, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1761 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2761 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17863; amended at 14 Ill. Reg. 10578, effective July 1, 1990; amended at 16 Ill. Reg. 11290, effective July 1, 1992; amended at 17 Ill. Reg. 10579, effective July 1, 1993; amended at 18 Ill. Reg. 10318, effective July 1, 1994; amended at 20 Ill. Reg. 9215, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2761.10 Summary and Purpose

- a) The Merit Recognition Scholarship Program encourages and rewards the distinguished academic achievement of Illinois high school graduates, without regard to financial need. The scholarship is a \$1,000 award which must be used for enrollment at an approved Illinois postsecondary institution or any service academy.
- b) This Part establishes rules which govern the Merit Recognition Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2761.20 Applicant Eligibility

- a) A qualified applicant shall:
 - 1) be a student at any public high school located in Illinois; or any high school located in Illinois or overseas (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of

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instruction at the secondary level and maintains standards of instruction substantially the equivalent to Illinois public high schools;

- 2) have completed eighty percent of the high school's program of instruction, and have earned a 7th semester cumulative high school grade point average at or above the 95th percentile of his or her high school class;
- 3) be a person of good moral character;
- 4) be a resident of Illinois;
- 5) be a United States citizen or permanent resident of the United States; and
- 6) enroll or be enrolled, on at least a half-time basis, at an institution of higher learning or service academy as an undergraduate student or cadet.

- b) A qualified applicant shall not have already received a baccalaureate degree.

Section 2761.30 Program Procedures

- a) In February of every year, approved high schools in Illinois shall certify to the Illinois Student Assistance Commission (ISAC) the names of students who are qualified applicants.

- 1) The certification of names shall be submitted on forms provided by ISAC. Certifications submitted by approved high schools shall be subject to audit by ISAC.

- 2) ISAC shall then promptly notify those qualified applicants who are reasonably assured of receiving Merit Recognition Scholarships in accordance with annual funding levels recommended in the Governor's Budget.

- b) Qualified applicants shall be sent a Merit Recognition Scholarship application which must be completed by the student and the postsecondary institution attended by the applicant. A complete application must be received by ISAC within one year after high school graduation but absolutely no later than June 15th of the academic year immediately following graduation from the approved Illinois high school. Should the recipient transfer to a different institution after submission of the application, the enrollment transfer must be reported to ISAC in order to receive scholarship payments.

- c) ISAC shall disburse scholarship funds in two increments based on the terms financed by the scholarship. Scholarship funds may be used to finance expenses for a summer term.

- 1) The application form constitutes a request for payment of first term benefits. Institutions shall submit a payment request for payment of subsequent terms.

- 2) Funds shall be remitted to institutions on behalf of the recipients. When requesting payment of scholarship funds, the institution shall certify that the recipient is: a U.S. citizen or eligible noncitizen; a resident of Illinois; of good moral

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character; accepted for enrollment on at least a half-time basis; not the recipient of a baccalaureate degree.

- 3) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status. If the recipient is enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the funds shall be released to the recipient.
- 4) If the recipient has withdrawn from enrollment or drops to less than half-time enrollment prior to receiving funds, the institution shall notify ISAC to prevent payment processing or, if funds have been received by the institution, the institution shall return the full amount of the funds to ISAC.
- d) Scholarship funds are applicable to two semesters or three quarter terms and must be used for educational expenses, including, but not limited to, tuition and fees, room and board, books and supplies, required service academy uniforms, and travel and personal expenses related to the recipient's enrollment.
- e) Should the recipient withdraw from enrollment during the first term financed by the scholarship, the recipient shall return to ISAC the full amount of the award.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Minority Teachers of Illinois (MTI) Scholarship Program

2) Code Citation: 23 Ill. Adm. Code 2763

3) Section Numbers:

Proposed Action:

2763.10	Repealed
2763.20	Repealed
2763.30	Repealed
2763.40	Repealed
2763.50	Repealed

4) Statutory Authority: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note,

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however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section J(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2763

MINORITY TEACHERS OF ILLINOIS (MTI) SCHOLARSHIP PROGRAM (REPEALED)

Section

2763.10 Summary and Purpose

2763.20 Definitions

2763.30 Minority Scholar Eligibility

2763.40 Application Procedures

2763.50 Institutional Procedures

AUTHORITY: Implementing Section 50 of the Higher Education Student Assistance Act [110 ILCS 947/50] and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15621, effective October 11, 1991, for a maximum of 150 days; emergency expired on March 9, 1992; adopted at 16 Ill. Reg. 7048, effective April 21, 1992; emergency amendments adopted at 16 Ill. Reg. 16326, effective September 28, 1992, for a maximum of 150 days; emergency expired on February 25, 1993; emergency amendment at 17 Ill. Reg. 175, effective January 1, 1993, for a maximum of 150 days; emergency expired on May 29, 1993; amended at 17 Ill. Reg. 10585, effective July 1, 1993; amended at 18 Ill. Reg. 10325, effective July 1, 1994; amended at 19 Ill. Reg. 8361, effective July 1, 1995; amended at 20 Ill. Reg. 9221, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2763.10 Summary and Purpose

a) The Minority Teachers of Illinois Scholarship Program encourages academically talented minority students to pursue careers as teachers at Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models.

b) This Part establishes the rules which govern the Minority Teachers of Illinois Scholarship Program. Additional rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized. Statutory language is italicized.

(Source: Amended at 19 Ill. Reg. 8361, effective July 1, 1995)

Section 2763.20 Definitions

"Approved High School" - means any public high school located in this State; and any high school, located in the State or elsewhere (whether

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designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the Superintendent provides a course of instruction at the secondary level, and maintains standards of instruction, substantially equivalent to those of public high schools located in this State (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10]).

"Cost of Attendance" - defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711).

"Cumulative Grade Point Average" - means the average grade earned throughout a student's educational program. The calculation shall be consistent with the Institution's established policy or practice and shall be the same as that which is used for admission, placement, or other similar purposes.

"Eligible Applicant" - means a minority student who has graduated from high school or has received a General Educational Development Certification and has maintained a cumulative grade point average at the postsecondary level of no less than 2.5 on a 4.0 scale, and who by reason thereof is entitled to apply for scholarships to be awarded under this Section (Section 50(a) of the Higher Education Student Assistance Act).

"Institution of Higher Learning" - means an educational organization located in this State which: provides at least an organized 2 year program of collegiate grade in liberal arts or sciences, or both, directly applicable toward the attainment of a baccalaureate degree, or, beginning with academic year 1972, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree, either is (A) operated by this State, or (B) operated publicly or privately, not for profit, in the judgment of the Commission meets the standards substantially equivalent to those of comparable institutions operated in this State, and if so required by the Commission, uses the State as its primary guarantor of student loans made pursuant to the Higher Education Act of 1965. For otherwise eligible educational organizations which provide academic programs for incarcerated students, the terms "institution of higher learning", "qualified institutions", and "institution" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act).

"Minority Scholar" - means an individual who ISAC determined to be eligible to receive an MTI scholarship and who receives or has received assistance under this Part.

"Minority Student" - means a student who is either: Black (a person having origins in any of the black racial groups in Africa); Hispanic

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(a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia; or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).

"Qualified Student" - means a person: who is a resident of this State and a citizen or permanent resident of the United States; who is a minority student, as defined in this Section; who, as an eligible applicant, has made a timely application for a minority teaching scholarship under this Section; who is enrolled on a full time basis at the sophomore level or above until his or her last semester at a qualified Illinois institution of higher learning as an undergraduate student and has not received a baccalaureate degree, except that last semester seniors must enroll only for a minimum of 6 credit hours in order to maintain eligibility under this Section; who is enrolled in a course of study leading to a teacher certification; who maintains a grade point average of no less than 2.5 on a 4.0 scale while enrolled at the postsecondary level; and who continues to advance satisfactorily toward the attainment of a degree (Section 50(a) of the Higher Education Student Assistance Act).

"Scholar" - For the purposes of this Part, a Minority Scholar.

"Teacher Education Program" - means an undergraduate postsecondary course of study which, upon completion, qualifies a student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education. For the purposes of a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a Teacher Education Program.

(Source: Amended at 19 Ill. Reg. 8361, effective July 1, 1995)

Section 2763.30 Minority Scholar Eligibility

- a) ISAC shall accept applications to be a Minority Scholar in accordance with Section 2763.40 of this Part, Application Procedures.
- b) ISAC shall identify Qualified Students from among applications submitted on a timely basis.
- c) Applicants will be notified whether they are Qualified Students. A non-Qualified Student may appeal a finding of ineligibility in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.

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- d) At least 30 percent of the funds appropriated for scholarships awarded under this Section in each fiscal year shall be reserved for male Qualified Students.
- e) Notwithstanding the provisions of subsection (d) of this Section, awards will be made first to renewing Minority Scholars.
- f) A Minority Scholar may receive a scholarship renewal provided the Minority Scholar:
 - 1) continues to maintain a Grade Point Average of no less than 2.5 on a 4.0 scale, or its equivalent, at the postsecondary level; and
 - 2) maintains his or her status as a Qualified Student, as outlined in Section 2763.20 of this Part; and
 - 3) continues to advance satisfactorily toward the attainment of a degree; and
 - 4) has submitted an application on a timely basis, in accordance with Section 2763.40(b) of this Part, Application Procedures.
- g) No Minority Scholar may receive more than 8 semesters/12 quarters of scholarship assistance under this program.
- h) The total number of scholarships awarded in a given fiscal year is contingent upon available funding. If appropriated funds are insufficient to provide all Qualified Students with a scholarship, available funds shall be allocated in accordance with subsections (d) and (e) of this Section of this Section and on the basis of the dates that the completed applications are received in ISAC's Deerfield office.

(Source: Amended at 17 Ill. Reg. 10585, effective July 1, 1993)

Section 2763.40 Application Procedures

- a) Applications for the Minority Teachers of Illinois Scholarship Program are available from qualified Institutions of Higher Learning, State legislative and congressional offices, and ISAC's Springfield, Deerfield and Chicago offices.
- b) ISAC will mail renewal applications to all Qualified Students who received MTI Scholarships during the preceding Academic Year.
- c) A completed application must be received in ISAC's Deerfield office on or before the August 1 immediately preceding the Academic Year for which the scholarship is being requested in order to receive priority consideration for a full-year, full-amount award.
- d) If the student section of an application is incomplete, notification will be sent to the Eligible Applicant. The Eligible Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received by ISAC. If the school section of an application is incomplete, ISAC will notify the Institution directly. When the school submits the missing information ISAC will consider the application filed on the date that it was

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- originally received.
- e) Eligibility notification shall be sent to each Qualified Student who is selected as a Minority Scholar.
- f) Eligible Applicants shall be required to furnish the postsecondary Institution at which they are enrolled with a copy of their high school transcripts, any other documentation verifying high school graduation, or a copy of their General Educational Development Certificates.
- g) During any Academic Year in which a Minority Scholar receives assistance under this Part, the Minority Scholar shall be required to sign a Teaching Agreement/Promissory Note prior to receipt of any scholarship assistance. The terms of the Teaching Agreement/Promissory Note shall include the following:
- 1) a pledge on the part of the recipient to teach one year for each year of scholarship aid received, or for any portion of a year for which aid was received, under this Part;
 - 2) a stipulation that such teaching requirement will be fulfilled within the 10-year period following the termination of the undergraduate program for which the Minority Scholar received assistance under this Part;
 - 3) a stipulation that such teaching requirement will be fulfilled at a nonprofit Illinois public, private, or parochial preschool, elementary school or secondary school at which no less than 30 percent of the enrolled students are Minority Students, as certified by the Illinois State Board of Education;
 - 4) a stipulation that, if the teaching requirement is not fulfilled, the scholarship converts to a loan and the Minority Scholar must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate equal to that defined by federal regulations and, if applicable, reasonable collection fees; and
 - 5) a further stipulation that the Minority Scholar agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- h) A Minority Scholar shall not be in violation of the teaching agreement, and thus not be required to commence repayment as set forth in subsection (g)(4) of this Section, if the recipient:
- 1) enrolls as a full-time graduate student in a course of study related to teaching at a qualified Institution of Higher Learning;
 - 2) serves, for not more than three years, as a member of the United States armed services;
 - 3) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a qualified physician;
 - 4) is seeking and unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (g)(3) of this Section, and is able to provide evidence of that fact; or

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- 5) withdrawals from a course of study leading to a teacher certification but remains Enrolled on a full-time basis in another academic discipline.
- i) A Minority Scholar shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled as established by the sworn affidavit of a qualified physician (see e.g., 34 CFR 653.42(k)(i)), or if his or her representative provides ISAC with a death certificate or other evidence that the scholar has died.
- j) All repayments collected from Minority Scholarship recipients shall be forwarded to the State Comptroller for deposit into the State's General Revenue Fund.

(Source: Amended at 20 Ill. Reg. 9221, effective July 1, 1996)

Section 2763.50 Institutional Procedures

- a) The Institution shall submit the certification of eligibility for Qualified Students with the Institution's request for payment.
- b) ISAC shall disburse scholarship funds in two or three installments, depending on the number of Terms financed by the scholarship; except that, multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final Term of the Academic Year for which the scholarship is being awarded or when a student is attending only one semester and the maximum award does not exceed the student's Cost of Attendance.
- c) Funds shall be remitted by ISAC to Institutions on behalf of Minority Scholars. When requesting payment of scholarship funds, the Institution shall certify to ISAC that the Applicant is a Qualified Student as defined in Section 2763.20 of this Part.
- d) Scholarship funds are applicable towards up to two semesters/three quarters of full-time study within an Academic Year. Upon receipt of scholarship funds, the Institution shall verify the Scholar's enrollment status. If the Minority Scholar is Enrolled, the Institution may credit the scholarship funds to the recipient's account for expenses then due and payable. The balance of the disbursement shall be released to the Minority Scholar. If the Minority Scholar has withdrawn from enrollment, the Institution shall return the total amount of the scholarship to ISAC.
- e) Scholarship Amount
 - 1) In accordance with this subsection, the Institution at which the Minority Scholar is enrolled shall compute the amount of the scholarship. The Minority Scholar must have reviewed and signed the Teaching Agreement/Promissory Note prior to the receipt of any scholarship assistance.
 - 2) Minority Teachers of Illinois Scholarships are applicable only toward Tuition and fees and room and board charges or commuter allowances, if applicable. The annual scholarship awarded to a

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Qualified Student must be the lesser of:

- A) Tuition and fees plus room and board expenses charged by the Institution;
 - B) Tuition and fees plus the standard commuter allowance for students living off-campus; or
 - C) a maximum of \$5,000.
- 3) The total amount of Minority Teachers of Illinois Scholarship assistance awarded to a Scholar in a given Academic Year, when added to the other financial aid available to the Minority Scholar for that year, cannot exceed the Cost of Attendance.
- 4) In any Academic Year in which the Minority Scholar accepts financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), David A. DeBolt Teacher Shortage Scholarship Program (see 23 Ill. Adm. Code 2764), or the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), the Minority Scholar shall not be eligible for scholarship assistance under this Part.
- 5) A Minority Scholar may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the Minority Scholar's Cost of Attendance exceeds the amount of the scholarship.

(Source: Amended at 20 Ill. Reg. 9221, effective July 1, 1996)

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- 1) Heading of the Part: Minority Teachers of Illinois (MTI) Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2763
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2763.10	New
2763.20	New
2763.30	New
2763.40	New
- 4) Statutory Authority: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program and for consistency with the DeBolt Teacher Shortage Scholarship Program, the application deadline date is proposed as May 1, rather than August 1 as in the current rules. The proposed rules include language that specifies when a scholarship must be converted to a loan, under what circumstances a loan payment may be deferred and under what circumstances a teaching obligation may be extended.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this

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proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartinez@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2763

MINORITY TEACHERS OF ILLINOIS (MTI) SCHOLARSHIP PROGRAM

Section

2763.10 Summary and Purpose

2763.20 Applicant Eligibility

2763.30 Program Procedures

2763.40 Institutional Procedures

AUTHORITY: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15621, effective October 11, 1991, for a maximum of 150 days; emergency expired on March 9, 1992; adopted at 16 Ill. Reg. 7048, effective April 21, 1992; emergency amendments adopted at 16 Ill. Reg. 16326, effective September 28, 1992, for a maximum of 150 days; emergency expired on February 25, 1993; emergency amendment at 17 Ill. Reg. 175, effective January 1, 1993, for a maximum of 150 days; emergency expired on May 29, 1993; amended at 17 Ill. Reg. 10585, effective July 1, 1993; amended at 18 Ill. Reg. 10325, effective July 1, 1994; amended at 19 Ill. Reg. 8361, effective July 1, 1995; amended at 20 Ill. Reg. 9221, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2763.10 Summary and Purpose

a) The Minority Teachers of Illinois Scholarship Program encourages academically talented minority students to pursue careers as teachers at Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models.

b) This Part establishes the rules which govern the Minority Teachers of Illinois Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2763.20 Applicant Eligibility

a) A qualified applicant shall:

- 1) be a minority student;
- 2) be a resident of Illinois;
- 3) be a citizen or permanent resident of the United States;
- 4) have graduated from high school or have received a General Educational Development Certification (GED);

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- 5) be enrolled or accepted for enrollment on a full-time basis, unless a last semester senior who must enroll only for a minimum of 6 credit hours;
 - 6) be an undergraduate student at an institution of higher learning at the sophomore level or above;
 - 7) be enrolled or accepted for enrollment in a course of study which, upon completion, qualifies the student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education;
 - 8) have not received a baccalaureate degree;
 - 9) be maintaining a cumulative grade point average of no less than 2.5 on a 4.0 scale; and
 - 10) be maintaining satisfactory academic progress as determined by the institution.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), David A. DeBolt Teacher Shortage Scholarship Program (23 Ill. Adm. Code 2764), or the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

Section 2763.30 Program Procedures

a) A completed ISAC application for the Minority Teachers of Illinois Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the academic year for which the scholarship is being requested in order to receive priority consideration for an award.

1) Applications are available from qualified institutions of higher learning, State legislative and Congressional offices, and ISAC's Springfield, Deerfield, and Chicago offices;

2) ISAC will mail renewal applications to all qualified students who received MTI Scholarships during the preceding academic year; and

3) if the application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.

b) At least 30 percent of the funds appropriated for scholarships awarded under this Section in each fiscal year shall be reserved for male qualified applicants.

c) Notwithstanding the provisions of subsection (b) of this Section, awards will be made first to renewing applicants.

d) No recipient may receive more than 9 semesters/12 quaters of scholarship assistance under this program

e) Scholarship funds are applicable towards up to two semesters/three quaters of full-time study within an academic year

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- f) The total number of scholarships awarded in a given fiscal year is contingent upon available funding. If appropriated funds are insufficient to provide all qualified applicants with a scholarship, available funds shall be allocated in accordance with subsections (b) and (c) of this Section and on the basis of the dates that the completed applications are received in ISAC's Deerfield office.
- g) Qualified applicants may be required to furnish the postsecondary institution at which they are enrolled with a copy of their high school transcripts, any other documentation verifying high school graduation, or a copy of their General Educational Development certificates.
- h) Prior to receiving scholarship assistance under this Part, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following:
- 1) a pledge on the part of the recipient to teach, on a full-time equivalent basis, one year for each year of scholarship aid received, or for any portion of a year for which aid was received, under this Part;
 - 2) a stipulation that such teaching requirement will be fulfilled within the 10-year period following the termination of the undergraduate program for which the recipient received assistance under this Part;
 - 3) a stipulation that such teaching requirement will be fulfilled at a nonprofit Illinois public, private, or parochial preschool, elementary school, or secondary school at which no less than 30 percent of the enrolled students are minority students, as certified by the Illinois State Board of Education;
 - 4) a stipulation that, if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to student loans under the FREL program and, if applicable, reasonable collection fees; and
 - 5) a further stipulation that the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- i) The ten-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States armed services;
 - 2) is enrolled on a full-time basis as a graduate student in a course of study related to the field of teaching at an institution of higher learning;
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or

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- 4) is actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (h)(3) of this Section for a single period not to exceed two years, and is able to provide evidence of that fact.
- j) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
 - 1) serves, for not more than three years, as a member of the United States armed services;
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is seeking and unable to find full-time employment, for a single period not to exceed two years, and is able to provide evidence of that fact; or
 - 4) withdraws from the Minority Teachers of Illinois Scholarship program but remains enrolled full-time in another academic discipline.
- k) During the time a recipient qualifies for any of the extensions listed in subsection (j) of this Section, s/he shall not be required to make payments and interest shall not accrue.
- l) A recipient shall enter repayment status on the earliest of the following dates:
 - 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher at the preschool, elementary or secondary level, but not before six months have elapsed after the cessation of full-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
 - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within ten years after completing the postsecondary education for which the scholarship was awarded.
- m) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled as established by the sworn affidavit of a qualified physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

Section 2763.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
- b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments,

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depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.

d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).

e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.

f) Upon receipt of the scholarship funds, if the recipient has withdrawn from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.

9) Scholarship Amount

1) Minority Teachers of Illinois Scholarships are applicable only toward tuition and fees and room and board charges or commuter allowances, if applicable.

2) The annual scholarship amount shall be computed by the institution and must be the lesser of:

A) tuition and fees plus room and board expenses charged by the institution;

B) tuition and fees plus the standard commuter allowance for students living off-campus; or

C) \$5,000.

3) The total amount of Minority Teachers of Illinois Scholarship assistance awarded to a qualified applicant in a given academic year, when added to the other financial aid available to the qualified applicant for that year, cannot exceed the cost of attendance.

4) A qualified applicant may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the MTI scholarship.

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1) Heading of the Part: Monetary Award Program (MAP)

2) Code Citation: 23 Ill. Adm. Code 2735

3) Section numbers: Proposed Action:

2735.10 Repealed

2735.20 Repealed

2735.30 Repealed

2735.40 Repealed

2735.50 Repealed

2735.60 Repealed

2735.70 Repealed

2735.80 Repealed

2735.100 Repealed

2735.Appendix A Repealed

4) Statutory Authority: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

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9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this Proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2735
MONETARY AWARD PROGRAM (MAP) (REPEALED)

Section	Summary and Purpose
2735.10	Applicant Eligibility
2735.20	Application for MAP Grants
2735.30	Determination of Financial Eligibility
2735.40	Institutional Packaging of Gift Assistance
2735.50	Institutional Eligibility
2735.60	Enrollment Requirements
2735.70	Disbursement of MAP Grants
2735.80	Contractual Agreement Requirements
2735.100	Advance Payment Formula
APPENDIX A	

AUTHORITY: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990; amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2735.10 Summary and Purpose

- a) The Monetary Award Program (MAP) provides direct grant assistance to eligible students. MAP grants are apportioned among otherwise eligible Applicants on the basis of relative financial resources and available funds. Recipients must Enroll at approved nonprofit Illinois Institutions in order to use MAP grants.
- b) This Part establishes Rules which govern the Monetary Award Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are

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indicated by the first letter being capitalized.

(Source: Amended at 17 Ill. Reg. 10596, effective July 1, 1993)

Section 2735.20 Applicant Eligibility

- a) All MAP grant recipients must:
 - 1) be Citizens or Eligible Noncitizens of the United States, and Residents of Illinois;
 - 2) be students in good standing in accordance with their Institution's policy of Satisfactory Academic Progress; and
 - 3) be Enrolled in an eligible degree or certificate program (34 CFR 668.8) on at least a half-time basis at a MAP-approved postsecondary Institution (Section 2735.60).
- b) A recipient may receive MAP grant payment for less than half-time enrollment provided the recipient was Enrolled on at least a half-time basis throughout the Institution's Tuition refund/withdrawal adjustment period. (See Section 2735.70(g).)
- c) All recipients must demonstrate financial eligibility as determined from the financial data supplied to the Illinois Student Assistance Commission (ISAC). (See: Section 2735.40.)
- d) Eligibility is restricted to undergraduate students.
 - 1) MAP recipients must not have received a baccalaureate degree.
 - 2) Graduate Students are not eligible for MAP assistance. For purposes of this Part, an Institution shall classify as a "Graduate Student" any student who:
 - A) is enrolled in an academic program or course above the baccalaureate level which is leading to any degree above the baccalaureate level; and
 - B) is not eligible to receive federal financial assistance (34 CFR 674.2, 675.2, 676.2) as an undergraduate student; and
 - C) has completed the equivalent of at least three years of Full-time postsecondary study, either prior to entrance into the academic program or as part of the academic program itself.
- e) A recipient may receive the equivalent of 10 semesters/15 quarters of Full-time MAP grant payment. (See: 23 Ill. Adm. Code 2700.40(h).) If a recipient has accumulated less than 60 eligibility units, s/he may receive one additional Term of Full-time MAP assistance.
- f) Seniors in their last Term of enrollment prior to receiving a baccalaureate degree and Applicants Enrolled in student teaching are classified as Full-time Students for purposes of MAP grant eligibility.

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

Section 2735.30 Application for MAP Grants

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- a) An application for a MAP grant must be submitted annually. Applicants may use any one of the forms which the United States Department of Education (ED) designates as an application form for the Pell Grant Program. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070a).)
- b) Priority Consideration Dates

Regular School Year applications must be received before June 1 immediately preceding the Regular School Year for which the application is being made from students who had applied for a MAP grant for the previous Regular School Year in order to receive priority consideration for a full year award. Regular School Year applications must be received before October 1 from students who had not applied for a MAP grant the previous Regular School Year in order to receive priority consideration for a full year award.
- c) Priority Processing Guidelines
 - 1) Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:
 - A) Prior to June 1 preceding the Regular School Year for which assistance is being requested, students who had not applied for a MAP award the previous Regular School Year and students who did apply for a MAP award the previous Regular School Year will both be considered for full-year awards;
 - B) From June 1 until October 1, students who had not applied for MAP awards the previous Regular School Year will be considered for full year awards; while students who did apply for a MAP award the previous Regular School Year will be considered for second semester or second and third quarter awards only;
 - C) On or after October 1, and until the date of final suspension of award announcements for that Regular School Year, students who had not applied for a MAP award the previous Regular School Year will be considered for second semester or second and third quarter awards only; while students who did apply for a MAP award the previous Regular School Year will not be considered for a MAP award at all.
 - 2) During the time periods referenced above, awards will be announced concurrently, both to students who had not applied for a MAP award the previous Regular School Year, and to students who did apply for a MAP award during the previous Regular School Year. Award announcements will be made concurrently through the date of suspension of award announcements.
 - 3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not applied for a MAP award for the previous Regular School Year and to students who did apply for a MAP award the previous Regular School Year.

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- 4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.
- d) Students eligible for winter or spring term awards who have missed the June 1 priority date and who are graduating mid-year may request that their winter or spring award be used for fall term.
- e) To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority consideration dates and the priority processing guidelines established by this Section.
- f) When an application is incomplete, a notice will be sent to the Applicant. The Applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the Applicant may be considered only for subsequent Term awards.
- g) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. All announced MAP recipients are subject to Verification and awards are contingent upon the availability of funds.
- h) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.

(Source: Amended at 19 Ill. Reg. 8369, effective July 1, 1995)

Section 2735.40 Determination of Financial Eligibility

- a) Applicants, spouses, and the Parents of Applicants are required to submit financial information on the application, which will be kept confidential, regarding income, asset value, and non-taxable income (e.g., Aid to Families with Dependent Children, public aid, veterans' benefits or Social Security).
- b) After receipt of corrected data, ISAC shall recalculate awards for those Applicants whose applications are not in basic agreement with their financial records.
- c) MAP grant eligibility is based on the relative financial eligibility at an ISAC-approved Institution of the Applicant's choice, and is re-evaluated if the student's choice of Institution changes.
- d) MAP grant recipients request payment through their educational Institution. MAP grant funds are remitted directly to the educational Institution in the name of the recipient after the Institution certifies an Applicant is an eligible recipient.
- e) MAP grants are applicable only toward Tuition and Mandatory Fees. MAP grants may not exceed the:
 - 1) Maximum award specified at 110 ILCS 947/35(c); or
 - 2) Institution's Tuition and Mandatory Fee charges on file with ISAC.
- f) The maximum MAP grant available to a recipient attending a public

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community college is limited to the in-district Tuition and Mandatory Fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student. The recipient is advised to contact the in-district community college and/or local high school regarding application procedures and deadline dates.

- g) Public community college award recipients shall be eligible for payment up to 19 hours (9.5 hours for half-time).

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

Section 2735.50 Institutional Packaging of Gift Assistance

- a) MAP recipients must report to the Institution all additional Gift Assistance that applies toward Tuition and Mandatory Fees, such as Tuition waivers and scholarships.
- b) If a MAP recipient receives other assistance targeted specifically for Tuition and fees, the combined assistance shall not exceed the total Tuition and fee expenses incurred.
- c) If an Applicant is eligible for assistance under the Illinois National Guard (NG) Grant Program or the Illinois Veteran Grant (IVG) Program (23 Ill. Adm. Code 2730 and 2733), the Applicant is not eligible for a full MAP grant because NG and IVG must be factored into the financial aid packaging prior to awarding MAP gift assistance. The Institution may request payment of a partial MAP grant to finance fee expenses not covered by the above-referenced programs.
- d) If an Applicant is eligible to receive Tuition or fee benefits through a prepaid or reimbursable Tuition plan, or through a payment to the Institution by the Applicant's employer, the Institution shall request MAP payment in accordance with this subsection:
 - 1) A prepaid Tuition plan is any program which exempts a student from Tuition charges because of a payment(s) to the Institution at a time prior to the student's enrollment. A reimbursable Tuition plan is a program which reimburses a student for Tuition costs after satisfactory completion of course work.
 - 2) The Institution shall recalculate the Applicant's MAP eligibility by decreasing the Applicant's Tuition and fee charges by the amount of benefits the Applicant is eligible to receive from the sources in subsection (d)(1) of this Section. The Institution shall report the Applicant's reduced grant award on the payment request list. (See: Section 2735.80.)
- e) The provisions of this section shall not apply to benefits derived from the Baccalaureate Savings Act ([110 ILCS 920] and 23 Ill. Adm. Code 2771).
- f) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's Gift Assistance may not exceed the Institution's cost of attendance used to calculate Title IV aid for that student. Any excess Gift Assistance is considered an overaward

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and the Institution is required to reduce the MAP award and/or Gift Assistance to prevent such an overaward.

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

Section 2735.60 Institutional Eligibility

To receive MAP grant payments, recipients must enroll at ISAC-approved colleges, universities, or professional colleges. (See: 23 Ill. Adm. Code 2700.30) The Institution must offer at least a two-year organized program of collegiate study directly applicable towards the attainment of an associate or baccalaureate degree. Institutions which provide a program in health education directly applicable toward the attainment of a certificate, diploma, or associate degree are also eligible. All eligible institutions must be nonprofit and located in Illinois. If an Illinois Institution operates a satellite campus outside of Illinois, Residents of Illinois Enrolled in classes at the satellite campus may receive MAP benefits in accordance with Section 2735.70(e).

(Source: Amended at 17 Ill. Reg. 10596, effective July 1, 1993)

Section 2735.70 Enrollment Requirements

- a) It is the responsibility of MAP recipients to gain admission to approved Illinois Institutions. Illinois Institutions are not obligated to admit Monetary Award recipients. Once the recipient is Enrolled and attending classes, the Institution shall receive payments for Tuition and other Mandatory Fees provided by the award. The Institution is obligated to provide Monetary Award recipients the same facilities and instruction, on the same terms, as are provided to other students.
- b) The MAP grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) Test or for a high school diploma. (See: e.g., 23 Ill. Adm. Code 215.)
- c) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, non-credit course offerings (except qualifying remedial courses), clock hour programs or correspondence courses. Such course work cannot be used to meet the Half-time or Full-time requirement. Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as a part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours).
- d) For any Institution which has Concurrent Registration opportunities, the following policy pertains:
 - 1) The recipient must indicate his/her Institution of Record on the MAP application.

- 2) The payment of the Term award by ISAC will require the Institution of Record to receive MAP payment on behalf of any other Institution and the Institution of Record shall distribute the appropriate share of the award to the other Institution(s). Payment by ISAC will not be made to more than one Institution. for Full-time or Half-time Students at the Institution of Record, or the Tuition and Mandatory Fee costs at the Institution of Record if the costs are less than the maximum Term award.
- 3) Concurrent Registration is limited to MAP-approved Institutions.
- 4) The recipient's academic record(s) at the Institution of Record must document the total number of credit hours for which the student is Enrolled.
- e) If a recipient's academic program involves out-of-state and/or foreign study, enrollment must be in accordance with the following provisions:
 - 1) The recipient must be Enrolled at the MAP-approved Institution, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's Institution of Record.
 - 2) The MAP-approved Institution must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.
 - 3) The recipient must be Enrolled full-time and must be charged Tuition and fees at least equal to Tuition and Mandatory Fees charged all students.
 - 4) An Institution shall not request more than two semesters/three quarters of MAP assistance for any one recipient.
 - f) If an announced recipient's credit hour enrollment decreases, the Institution shall only request payment up to the amount of actual expenses incurred.
 - g) If an Applicant withdraws from enrollment after the expiration of the Tuition refund/withdrawal adjustment period, the Applicant shall receive MAP grant payment for costs incurred up to the Term award provided the Institution's Tuition refund policy indicates the Applicant has incurred charges in the amount of the claim.
 - h) Eligibility units are accumulated by a recipient whenever MAP funds are disbursed on behalf of the recipient. (See: 23 Ill. Adm. Code 2700.40(h).)

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

Section 2735.80 Disbursement of MAP Grants

- a) Upon receipt of a payment request from the Institution of Record, ISAC remits MAP grant funds to the Institution of Record on behalf of the recipient. The Institution of Record shall credit these funds to the recipient's account.
- b) MAP grants are divided into two semester or three quarter regular Term

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payments and are paid directly to the approved Institution of Record which certifies to ISAC that the Applicant is an eligible recipient.

- 1) ISAC will annually establish priority claim dates for the return of payment request lists and inform schools of the required priority dates.

- 2) Late payment requests will result in delayed processing of payments. Payment requests are processed in the sequence of receipt by ISAC and as funds are available.

- 3) Under no circumstances are Institutions to return their payment request lists until after the second week of classes for the Term for which they are requesting payment.

- c) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.

- d) Institutional Processing of Payments

- 1) Within 30 days of receiving payment of any MAP funds claimed or advanced pursuant to this Section, the Institution shall credit the MAP funds against the recipients' Tuition and Mandatory Fee charges for the appropriate Term.

- 2) Institutions are required to reconcile payments received through the Monetary Award Program. Any payments received by the Institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic Term. Refunds may be caused by billing errors, retroactive withdrawals, and other miscellaneous reasons authorized by these Rules. Should the payment arrive after the end of the Term, the Institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds due.

- 3) Award payments made in the name of one recipient cannot be applied to another recipient at the same Institution. A refund of the payment made must be submitted to ISAC, and a supplemental request for payment must be processed for the proper recipient.

- 4) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests must be received by ISAC no later than September 1 due to the State's fiscal year lapse period ending on September 30.

- 5) Payment requests received after September 1 for the prior Academic Year will be processed as time and available funds permit; however, final action may require Institutions to go to the Illinois Court of Claims to obtain payment for approved claims. (See: The Court of Claims Act [705 ILCS 505].)

- 6) If the Institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional payment requests.

- e) Advance Payment Option

- 1) MAP-approved Institutions may request consideration for the advance payment option. To be eligible, the Institution must have received MAP payments for each of the last five Academic

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Years, and ISAC must have completed an audit of the Institution's performance during the aforementioned Academic Years. Institutions with provisional eligibility shall not receive advance payments. (See: 23 Ill. Adm. Code 2700.30(i)(5).)

- 2) Subject to the availability of funds, payments are advanced on a Term-by-Term basis. Advance payments are made in an amount not to exceed 75 percent of a Term's announced recipients, adjusted for attrition as determined by subsection (3)(B). The formula by which ISAC computes an Institution's advance payment is illustrated in Appendix A of this Part.

- 3) For purposes of computing an Institution's advance payment, ISAC uses the lowest retention rate resulting from the following three formulae:
 - A) Dollar value of the previous fiscal year's claimed awards divided by the dollar value of the previous fiscal year's announced awards;
 - B) Number of claimed awards for the previous fiscal year divided by the number of awards announced during the previous fiscal year;
 - C) Using the formula in subsection (e)(3)(B) above, compute the retention rate for the previous five fiscal years. Add the five retention rates and divide by five to produce the five year average retention rate.

- 4) Requests for advance payment shall be submitted by June 1 with the annual tuition and fee charges (see 23 Ill. Adm. Code 2700.30(e)). The balance of payment due for the current Term will be paid to the Institution after ISAC receives a payment request.

- 5) If an advance payment received by an Institution exceeds the total grant payments for which that Institution's students are eligible, the Institution shall submit the appropriate refund to ISAC prior to the end of the Academic Year.

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

Section 2735.100 Contractual Agreement Requirements

- a) The primary purpose of a MAP-approved contractual course of study must be educational and must lead to, and be required for, a degree or health education certificate in a published course of study offered by an ISAC-approved Institution.

- b) All contractual agreements between ISAC-approved public Institutions and non-approved Institutions must be programs approved by the Illinois Board of Higher Education (IBHE). (See: 23 Ill. Adm. Code 1050.) All ISAC-approved Institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual course work taken. ISAC shall approve the contractual

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- agreement if the terms are consistent with this Section.
- c) The Institution of Record must be an ISAC-approved Institution.
 - d) An ISAC-approved Institution may enter into a contractual agreement with a non-approved Institution/agency only if the approved ISAC Institution does not have specific educational facilities and facilities available within the Institution to offer the Illinois Board of Higher Education approved programs.
 - e) All ISAC-approved Institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more Institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois Community College Board for baccalaureate or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.
 - f) The governing boards of all ISAC-approved Institutions not subject to IBHE contractual guidelines and/or program review and approval procedures should certify to ISAC that the following items are included within the contractual agreement and are the responsibilities of the ISAC-approved Institution:
 - 1) Administrative responsibility for the program is with the ISAC-approved Institution;
 - 2) Provisions for program supervision including on-site visits by the ISAC-approved institution;
 - 3) Admission policies consistent with the approved Institution's policies;
 - 4) Procedures for the maintenance of records and transcripts by the ISAC-approved Institution;
 - 5) Statement on student Tuition, fees, and other charges;
 - 6) Number of credit hours required and criteria for course completion within the program consistent with the ISAC-approved Institution's policies and guidelines for all programs;
 - 7) Student withdrawal policy consistent with ISAC-approved Institution policy;
 - 8) Maintenance of liability insurance;
 - 9) Responsibility for faculty employment and evaluation;
 - 10) Availability of student auxiliary services;
 - 11) Consistency with policies, rules, and regulations of other state approval agencies;
 - 12) Establishment and utilization of a representative advisory committee;
 - 13) Provision for follow-up studies consistent with the ISAC-approved Institution practices;
 - 14) Annual program and contract review by the ISAC-approved Institution; and
 - 15) Certification that the non-approved Institution/agency meets statutory requirements and is approved by appropriate State of

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- Illinois agencies and boards.
- g) ISAC requires all ISAC-approved Institutions to indicate the percentage of their own students who participate in the contract program(s) of study, and the percentage of all students Enrolled in the non-approved Institution/agency who will receive Tuition assistance through an approved contractual agreement. When either of these percentages exceed 30%, the contractual agreement will not be approved by ISAC.
 - h) All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC-approved Institution whether these courses are eligible for ISAC payment.
 - i) The Consortium Agreement shall be filed with ISAC along with annual tuition and fee charges. (See: 23 Ill. Adm. Code 2700.30(e).)

(Source: Amended at 20 Ill. Reg. 9227, effective July 1, 1996)

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Section 2735.APPENDIX A Advance Payment Formula

a) The formula abbreviations are as follows:

- 1) ATA = Advanced Term Awards
- 2) ADV = Average Dollar Value of ATA
- 3) CT = Current Term
- 4) DA = Dollars Advanced
- 5) FY = Fiscal Year
- 6) PFY = Previous Fiscal Year
- 7) RR = Retention Rate
- 8) %AD = Percentage Advanced

b) The advance payment formula established at Section 2735.80(e)(2) may be demonstrated as follows:

$$[(ATA \times RR) \times \%AD] \times ADV = DA$$

c) Sample Award History:

Announced Awards	Awards Claimed	RR
FYA: 6,050	3,063	.51
FYB: 5,271	3,214	.61
FYC: 5,001	2,313	.46
FYD: 3,333	1,619	.49
PFY: 3,468	1,285	.37

Five year average RR: .49

Total Dollars Announced	Total Dollars Claimed	RR
PFY: \$1,245,568.00	\$383,647.50	.31

CT ATA: 859
CT ADV: \$403.27
%AD: .75

d) Sample Calculation:

- 1) $[(859 \times .31) \times .75] \times 403.27 = DA$
- 2) $(266.29 \times .75) \times 403.27 =$
- 3) $199.718 \times 403.27 =$
- 4) $DA = \$80,540.28$

(Source: Amended at 16 Ill. Reg. 11296, effective July 1, 1992)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

1) Heading of the Part: Monetary Award Program (MAP)

2) Code Citation: 23 Ill. Adm. Code 2735

Section numbers:	Proposed Action:
2735.10	New
2735.20	New
2735.30	New
2735.40	New
2735.50	New
2735.60	New
2735.Appendix A	New

4) Statutory Authority: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility,

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Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). The proposed rules for the Monetary Award Program include two additional Sections from the current rules (Section 2735.50, Advance Payment Options and Section 2735.60, Contractual Agreement Requirements) due to the nature of the Monetary Award Program and legislative requirements governing the payment of the award. For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to ISAC's existing rules for this program, a statement has been included in the proposed Section on Program Procedures which clarifies that benefits are applicable for repeat courses. Benefits of this program have been applicable for repeat courses for several years, but questions from clients have led ISAC to provide clear guidance by including this statement in the proposed rules. With regard to the Institutional Procedures Section, language in the proposed rules related to payment claim processing reflects the change in the end of the State's lapse period from September 30 to August 31.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme

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for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
 Compliance Counsel
 Illinois Student Assistance Commission
 1755 Lake Cook Road
 Deerfield, Illinois 60015-5209
 (847) 948-8500
 email: rmartinez@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2735

MONETARY AWARD PROGRAM (MAP)

Section	Summary and Purpose
2735.10	Applicant Eligibility
2735.20	Program Procedures
2735.30	Institutional Procedures
2735.40	Advance Payment Option
2735.50	Contractual Agreement Requirements
2735.60	Advance Payment Formula
APPENDIX A	

AUTHORITY: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [10 ILCS 947/35 and 20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990, amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2735.10 Summary and Purpose

- a) The Monetary Award Program (MAP) provides direct grant assistance to eligible students. MAP grants are apportioned among otherwise eligible applicants on the basis of relative financial resources and available funds. Recipients must enroll at approved nonprofit Illinois institutions in order to use MAP grants.
- b) This Part establishes rules which govern the Monetary Award Program. Additional rules and definitions are contained in General Provisions, Part at 23 Ill. Adm. Code 2700.

Section 2735.20 Applicant Eligibility

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a) A qualified applicant shall:

- 1) be a citizen or eligible noncitizen;
 - 2) be a resident of Illinois;
 - 3) be maintaining satisfactory academic progress as determined by the institution;
 - 4) be enrolled in an eligible degree or certificate program (34 CFR 668.8) on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period; and
 - 5) be enrolled at an ISAC-approved institution for less than half-time
- b) A recipient may receive MAP grant payment for less than half-time enrollment provided the recipient was enrolled on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period.
- c) MAP grant eligibility is based on the relative financial eligibility at an ISAC-approved institution of higher learning of the applicant's choice, and is reevaluated if the student's choice of institution changes.
- d) Eligibility is restricted to undergraduate students.
- 1) MAP recipients must not have received a baccalaureate degree; and
 - 2) graduate students are not eligible for MAP assistance. For purposes of this Part, an institution of higher learning shall classify as a "graduate student" any student who:
 - A) is enrolled in an academic program or course above the baccalaureate level which leads to any degree above the baccalaureate level; and
 - B) is not eligible to receive federal financial assistance (34 CFR 674.2, 675.2, 676.2) as an undergraduate student; and
 - C) has completed the equivalent of at least three years of full-time postsecondary study, either prior to entrance into the academic program or as part of the academic program itself.

Section 2735.30 Program Procedures

- a) An application for a MAP grant must be submitted annually. An applicant uses the form which the United States Department of Education (ED) designates as an application form for federal student financial aid. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070a).)
- b) Applicants, spouses and the parents of applicants are required to submit financial information on the application which will be kept confidential, regarding income, asset value and non-taxable income (e.g., Aid to Families with Dependent Children, public aid, veteran's benefits or Social Security).
- c) Priority Consideration Dates
 - Regular school year applications must be received before June 1 immediately preceding the regular school year for which the application is being made from students who had applied for a MAP

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grant for the previous regular school year in order to receive priority consideration for a full year award. Regular school year applications must be received before October 1 from students who had not applied for a MAP grant the previous regular school year in order to receive priority consideration for a full year award.

d) Priority Processing Guidelines

1) Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:

A) Prior to June 1 preceding the regular school year for which assistance is being requested, students who had not applied for a MAP award the previous regular school year and students who did apply for a MAP award the previous regular school year will both be considered for full year awards;

B) From June 1 until October 1, students who had not applied for MAP awards the previous regular school year will be considered for full year awards; while students who did apply for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only;

C) On or after October 1, and until the date of final suspension of award announcements for that regular school year, students who had not applied for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only; while students who did apply for a MAP award the previous regular school year will not be considered for a MAP award at all.

2) During the time periods referenced above, awards will be announced concurrently, both to students who had not applied for a MAP award the previous regular school year and to students who did apply for a MAP award during the previous regular school year. Award announcements will be made concurrently through the date of suspension of award announcements.

3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not applied for a MAP award for the previous regular school year and to students who did apply for a MAP award the previous regular school year.

4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.

e) Students eligible for winter or spring term awards who have missed the June 1 priority date and who are graduating mid-year may request that their winter or spring award be used for fall term.

f) To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority

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consideration dates and the priority processing guidelines established by this Section.

g) When an application is incomplete, a notice will be sent to the applicant. The applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the applicant may be considered only for subsequent term awards.

h) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. ISAC will recalculate awards for those applicants whose applications are not in basic agreement with their financial records, after receipt of corrected data. All announced MAP recipients are subject to verification.

i) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.

j) MAP grants are applicable only toward tuition and mandatory fees. MAP grants may not exceed the:

- 1) maximum award specified at 110 ILCS 947/35(c); or
- 2) institution's tuition and mandatory fee charges on file with ISAC.

k) The maximum MAP grant available to a recipient attending a public community college is limited to the in-district tuition and mandatory fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student. The recipient is advised to contact the in-district community college and/or local high school regarding application procedures and deadline dates.

l) Public community college award recipients shall be eligible for payment up to 19 hours (9.5 hours for half-time).

m) A recipient may receive the equivalent of 10 semesters/15 quarters of full-time MAP grant payment (see: 23 Ill. Adm. Code 2700.40(h)). Eligibility may be extended for one additional term if the recipient has accumulated fewer than 60 eligibility units but does not have enough units remaining for the number of hours that s/he is enrolled in for the term.

n) Seniors in their last term of enrollment prior to receiving a baccalaureate degree and applicants enrolled in student teaching are classified as full-time students for purposes of MAP grant eligibility.

o) The MAP grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) Test or for a high school diploma. (See: e.g., 23 Ill. Adm. Code 215.)

p) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, non-credit course offerings (except qualifying remedial courses), clock hour programs or correspondence courses. Such course work cannot be used to meet the half-time or full-time requirement. Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as part

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of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses shall be eligible.

g) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive MAP grant payment for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.

r) Eligibility units are accumulated by a recipient whenever MAP funds are disbursed on behalf of the recipient. (See: 23 Ill. Adm. Code 2700.40(h).)

s) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.

t) It is the responsibility of MAP recipients to gain admission to approved Illinois institutions of higher learning. Illinois institutions of higher learning are not obligated to admit Monetary Award recipients. The institution is obligated to provide Monetary Award recipients the same facilities and instruction, on the same terms, as are provided to other students.

u) If a recipient's academic program involves out-of-state and/or foreign study, enrollment must be in accordance with the following provisions:

1) The recipient must be enrolled at the ISAC-approved institution of higher learning, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's institution of record.

2) The ISAC-approved institution of higher learning must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.

3) The recipient must be enrolled full-time and must be charged tuition and fees not greater than tuition and mandatory fees charged all students.

4) An institution shall not request more than two semesters/three quarters of MAP assistance for any one qualified applicant.

Section 2735.40 Institutional Procedures

a) MAP recipients must report to the institution all additional gift assistance that applies toward tuition and mandatory fees, such as tuition waivers and scholarships.

b) If a MAP recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred.

c) If an applicant is eligible for assistance under the Illinois National Guard (NG) Grant Program or the Illinois Veteran Grant (IVG) Program (23 Ill. Adm. Code 2730 and 2733), the applicant is not eligible for a full MAP grant because NG and IVG must be factored into the financial aid packaging prior to awarding MAP gift assistance. The institution may request payment of a partial MAP grant to finance fee expenses not

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covered by the above-referenced programs.

d) If an applicant is eligible to receive tuition or fee benefits through a prepaid or reimbursable tuition plan, or through a payment to the institution of higher learning by the applicant's employer, the institution of higher learning shall request MAP payment in accordance with this subsection (d):

1) A prepaid tuition plan is any program which exempts a student from tuition charges because of a payment(s) to the institution at a time prior to the student's enrollment. A reimbursable tuition plan is a program which reimburses a student for tuition costs after satisfactory completion of course work.

2) The institution of higher learning shall recalculate the applicant's MAP eligibility by decreasing the applicant's tuition and fee charges by the amount of benefits the applicant is eligible to receive from the sources in subsection (d)(1) of this Section. The institution of higher learning shall report the applicant's reduced grant award on the payment request.

e) The provisions of this Section shall not apply to benefits derived from the Baccalaureate Savings Act ([110 ILCS 920] and 23 Ill. Adm. Code 2771).

f) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the cost of attendance used to calculate Title IV aid for that student. Any excess gift assistance is considered an overaward and the institution of higher learning is required to reduce the MAP award and/or other gift assistance to prevent such an overaward.

g) Institutions of higher learning shall submit payment requests to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2735.20, Applicant Eligibility.

h) For any institution of higher learning which has concurrent registration opportunities, the following policy pertains:

- 1) The recipient must indicate his/her institution of record on the MAP application.

- 2) The payment of the term award by ISAC will require the institution of record to receive MAP payment on behalf of any other institution(s) and the institution of record shall distribute the appropriate share of the award to the other institution(s). Payment by ISAC will not be made to more than one institution.

- 3) The amount paid cannot exceed the maximum term award for full-time or half-time students at the institution of record, or the tuition and mandatory fee costs at the institution of record if the costs are less than the maximum term award.

- 4) Concurrent registration is limited to ISAC-approved institutions of higher learning.

- 5) The recipient's academic record(s) at the institution of record must document the total number of credit hours for which the

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- student is enrolled.
- i) If an Illinois institution operates an out-of-state center, residents of Illinois enrolled in classes at the out-of-state center may receive MAP benefits in accordance with Section 2735.30(u).
 - j) If an announced recipient's credit hour enrollment decreases, the institution shall only request payment up to the amount of actual expenses incurred.
 - k) Upon receipt of a payment request from the institution of record, ISAC remits MAP grant funds to the institution of record on behalf of the recipient. The institution of record shall credit these funds to the recipient's account.
 - l) MAP grants are divided into two semester or three quarter regular term payments and are paid directly to the approved institution of record which certifies to ISAC that the applicant is an eligible recipient.
 - 1) ISAC will annually establish priority claim dates for the return of payment request lists and inform schools of the required priority dates.
 - 2) Late payment requests will result in delayed processing of payments. Payment requests are processed in the sequence of receipt by ISAC and as funds are available.
 - 3) Under no circumstances are institutions to submit their payment requests until after the second week of classes for the term for which they are requesting payment.
 - m) Institutional Processing of Payments
 - 1) Within 30 days after receiving payment of any MAP funds claimed or advanced pursuant to this Section, the institution shall credit the MAP funds against the recipients' tuition and mandatory fee charges for the appropriate term.
 - 2) Institutions are required to reconcile payments received through the Monetary Award Program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Refunds may be caused by billing errors, retroactive withdrawals and other miscellaneous reasons authorized by this Part. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds due.
 - 3) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment made must be submitted to ISAC, and a supplemental request for payment must be processed for the proper recipient.
 - 4) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests must be received by ISAC no later than August 1 due to the State's fiscal year lapse period ending August 31.
 - 5) Payment requests received after August 1 for the prior academic year will be processed as time and available funds permit;

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however, final action may require institutions to go to the Illinois Court of Claims to obtain payment for approved claims. (See: The Court of Claims Act [705 ILCS 505].)

- 6) If the institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional payment requests.

Section 2735.50 Advance Payment Option

- a) ISAC-approved institutions of higher learning may request consideration for the advance payment option. To be eligible, the institution must have received MAP payments for each of the last five academic years, and ISAC must have completed an audit of the institution's performance during the aforementioned academic years. Institutions with provisional eligibility shall not receive advance payments. (See: 23 Ill. Adm. Code 2700.30(i)(6).)
- b) Subject to the availability of funds, payments are advanced on a term-by-term basis. Advance payments are made in an amount not to exceed 75 percent of a term's announced recipients, adjusted for attrition as determined by subsection (c)(2). The formula by which ISAC computes an institution's advance payment is illustrated in Appendix A of this Part.
- c) For purposes of computing an institution's advance payment, ISAC uses the lowest retention rate resulting from the following three formulae:
 - 1) Dollar value of the previous fiscal year's claimed awards divided by the dollar value of the previous fiscal year's announced awards;
 - 2) Number of claimed awards for the previous fiscal year divided by the number of awards announced during the previous fiscal year; or
 - 3) Using the formula in subsection (c)(2) above, compute the retention rate for the previous five fiscal years. Add the five retention rates and divide by five to produce the five year average retention rate.
- d) Requests for advance payment shall be submitted by June 1 with the annual tuition and fee charges (see 23 Ill. Adm. Code 2700.30(e)). The balance of payment due for the current term will be paid to the institution after ISAC receives a payment request.
- e) If an advance payment received by an institution exceeds the total grant payments for which that institution's students are eligible, the institution shall submit the appropriate refund to ISAC prior to the end of the academic year.

Section 2735.60 Contractual Agreement Requirements

- a) The primary purpose of a MAP-approved contractual course of study must be educational and must lead to, and be required for, a degree or health education certificate in a published course of study offered by

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- an ISAC-approved institution.
- b) All contractual agreements between ISAC-approved public institutions and non-approved institutions must be programs approved by the Illinois Board of Higher Education (IBHE). (See: 23 Ill. Adm. Code 1050.) All ISAC-approved institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual course work taken. ISAC shall approve the contractual agreement if the terms are consistent with this Section.
 - c) The institution of record must be an ISAC-approved institution.
 - d) An ISAC-approved institution may enter into a contractual agreement with a non-approved institution/agency only if the approved ISAC institution does not have specific educational facilities and faculties available within the institution to offer the Illinois Board of Higher Education-approved programs.
 - e) All ISAC-approved institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois Community College Board for baccalaureate or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.
 - f) The governing boards of all ISAC-approved institutions not subject to IBHE contractual guidelines and/or program review and approval procedures should certify to ISAC that the following items are included within the contractual agreement and are the responsibilities of the ISAC-approved institution:
 - 1) Administrative responsibility for the program is with the ISAC-approved institution;
 - 2) Provisions for program supervision including on-site visits by the ISAC-approved institution;
 - 3) Admission policies consistent with the approved institution's policies;
 - 4) Procedures for the maintenance of records and transcripts by the ISAC-approved institution;
 - 5) Statement on student tuition, fees and other charges;
 - 6) Number of credit hours required and criteria for course completion within the program consistent with the ISAC-approved institution's policies and guidelines for all programs;
 - 7) Student withdrawal policy consistent with ISAC-approved institution policy;
 - 8) Maintenance of liability insurance;
 - 9) Responsibility for faculty employment and evaluation;
 - 10) Availability of student auxiliary services;
 - 11) Consistency with policies, rules and regulations of other State approval agencies;

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- 12) Establishment and utilization of a representative advisory committee;
 - 13) Provision for follow-up studies consistent with the ISAC-approved institution practices;
 - 14) Annual program and contract review by the ISAC-approved institution; and
 - 15) Certification that the non-approved institution/agency meets statutory requirements and is approved by appropriate State of Illinois agencies and boards.
- g) ISAC requires all ISAC-approved institutions to indicate the percentage of their own students who participate in the contract program(s) of study, and the percentage of all students enrolled in the non-approved institution/agency who will receive tuition assistance through an approved contractual agreement. When either of these percentages exceeds 30%, the contractual agreement will not be approved by ISAC.
- h) All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC-approved institution whether these courses are eligible for ISAC payment.
- i) The Consortium Agreement (See 23 Ill. Adm. Code 2700.20) shall be filed with ISAC along with annual tuition and fee charges. (See: 23 Ill. Adm. Code 2700.30(e).)

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Section 2735.APPENDIX A Advance Payment Formula

a) The formula abbreviations are as follows:

- 1) ATA = Announced Term Awards
- 2) ADV = Average Dollar Value of ATA
- 3) CT = Current Term
- 4) DA = Dollars Advanced
- 5) FY = Fiscal Year
- 6) PFY = Previous Fiscal Year
- 7) RR = Retention Rate
- 8) %AD = Percentage Advanced

b) The advanced payment formula established at Section 2735.50(a)(2) may be demonstrated as follows:

$$[(ATA \times RR) \times \%AD] \times ADV = DA$$

c) Sample Award History:

Announced Awards	Awards Claimed	RR
FYA: 6,050	3,063	.51
FYB: 5,271	3,214	.61
FYC: 5,001	2,313	.46
FYD: 3,333	1,619	.49
PFY: 3,468	1,285	.37

Five year average RR: .49

Total Dollars Announced	Total Dollars Claimed	RR
PFY: 1,245,568.00	\$383,647.50	.31

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d) Sample Calculation:

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- 3) $199.718 \times 403.27 =$
- 4) $DA = \$80,540.28$

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Paul Douglas Teacher Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2762
- 3) Section Numbers:

Section Numbers:	Proposed Action:
2762.10	Repealed
2762.20	Repealed
2762.30	Repealed
2762.40	Repealed
- 4) Statutory Authority: Implementing and authorized by Section 521 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1111 et seq.), and Section 20 (b) and (f) of the Higher Education Student Assistance Act [110 ILCS 947/20(b) and (f)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue

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of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartinez@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2762

PAUL DOUGLAS TEACHER SCHOLARSHIP PROGRAM (~~REPEALED~~)

Section	Summary and Purpose
2762.10	Definitions
2762.20	Scholar Eligibility
2762.30	Program Procedures
2762.40	

AUTHORITY: Implementing and authorized by Section 521 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1111 et seq.), and Section 20(b) and (f) of the Higher Education Student Assistance Act [110 ILCS 947/20(b) and (f)].

SOURCE: Emergency Rule adopted at 10 Ill. Reg. 12690, effective July 18, 1986, for a maximum of 150 days; emergency expired December 14, 1986; adopted at 11 Ill. Reg. 3159, effective January 29, 1987; amended at 12 Ill. Reg. 11559, effective July 1, 1988; amended at 13 Ill. Reg. 8650, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1762 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2762 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17865; amended at 16 Ill. Reg. 11313, effective July 1, 1992; amended at 17 Ill. Reg. 10611, effective July 1, 1993; amended at 18 Ill. Reg. 10333, effective July 1, 1994; amended at 19 Ill. Reg. 8378, effective July 1, 1995; amended at 20 Ill. Reg. 9238, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2762.10 Summary and Purpose

- a) The Paul Douglas Teacher Scholarship Program enables and encourages outstanding high school graduates to pursue teaching careers at the pre-school, elementary or secondary school level by providing financial assistance in the form of a scholarship.
- b) Federal Regulations govern the responsibilities of the Illinois Student Assistance Commission (ISAC), Institutions, and Scholars. This Part implements ISAC's discretionary authority as the program administrator for the State of Illinois. (See: 34 CFR 653.)
- c) Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

(Source: Amended at 17 Ill. Reg. 10611, effective July 1, 1993)

Section 2762.20 Definitions

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"Federal Regulations" - Regulations promulgated by the United States Department of Education (ED) and codified at 34 CFR 653.

"Douglas Scholar" - For the purposes of this Part, a Scholar.

"Qualified Applicant" - An Applicant who meets the requirements of Section 2762.30(b).

"Scholar" - An individual who has received scholarship assistance under this Part.

"Teacher Education Program" - An undergraduate postsecondary course of study which, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a Teacher Education Program.

(Source: Amended at 19 Ill. Reg. 8378, effective July 1, 1995)

Section 2762.30 Scholar Eligibility

a) ISAC shall accept applications to be a Paul Douglas Teacher Scholar in accordance with Section 2762.40, Program Procedures.

b) From among the timely Applicants, ISAC shall identify the Qualified Applicants. A "Qualified Applicant" is defined as an individual who meets the requirements of this subsection.

1) A Qualified Applicant must be a United States Citizen or an Eligible Noncitizen, and a Resident of Illinois.

2) A Qualified Applicant must be a high school graduate, its equivalent, or a student scheduled to graduate from high school by the end of the secondary school year in which the award is made, who:

A) graduated or will graduate in the top ten percent of his/her graduating class; or

B) received a General Educational Development (GED) test score recognized by the General Educational Development Testing Service as the equivalent to ranking in the top ten percent of the United States' high school graduates.

3) A Qualified Applicant must be Enrolled, or accepted for enrollment, as an undergraduate or graduate student seeking initial certification in a Teacher Education Program.

A) The Applicant must:

i) be Enrolled or accepted for enrollment on a full-time basis;

ii) be Enrolled in the last academic term before

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graduation or engaged in student teaching if enrolled less than full-time; and

iii) maintain satisfactory progress toward a degree, or, if the student already has a degree, toward teacher certification, in accordance with the Institution's Satisfactory Academic Progress policy.

B) Enrollment must be with a postsecondary Institution that is approved by the U.S. Department of Education to participate in federal student assistance programs. (See, e.g., 34 CFR 600.10, 600.20, 668.12.)

C) Applicants will be notified whether they are Qualified Applicants. A non-qualified applicant may appeal in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.

d) Recipients shall be selected from among the Qualified Applicants on the basis of the following criteria:

1) Postsecondary Academic Level. Awards will be made first to renewal Scholars, then to all graduate students and seniors, then to all juniors, then to all sophomores, and then to all freshmen.

2) Special Consideration. If there are insufficient funds to award scholarships to all Qualified Applicants, ISAC shall give special consideration to Qualified Applicants who are within the same academic level and who:

A) intend to teach or provide related services to students with disabilities;

B) intend to teach limited English proficient students;

C) intend to teach preschool age children;

D) intend to teach in schools servicing inner city or rural or geographically isolated areas;

E) intend to teach in curricular areas or geographic areas where there are demonstrated shortages of qualified teachers; or

F) are from disadvantaged backgrounds, including students from low-income families; racial and ethnic minorities; individuals with disabilities; and students underrepresented in the teaching profession or in the curricular areas in which they are preparing to teach.

3) Shortage of Teachers. If there are insufficient funds to award scholarships to all Qualified Applicants within a given Academic Level who are entitled to special consideration, awards will be made first to all Applicants Enrolled in an academic discipline in which Illinois has a shortage of teachers, as determined annually by the Illinois State Board of Education. (See: 23 Ill. Adm. Code 54. Subpart D.) Funds will next be awarded to Applicants at the same Academic Level in nonshortage disciplines.

4) The Expected Family Contribution (EFC) derived from Federal Methodology. If funds are insufficient to make awards to all Applicants who are entitled to special consideration, to all Applicants in shortage disciplines or to all Applicants in

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non-shortage disciplines, within an Academic Level, Applicants will be ranked in order of the Applicant's EFC, from lowest to highest. (See: Section 2762.40(b); Title IV, Part F of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk).) Awards will be made within the relevant group in order of increasing EFC. Those Applicants who did not apply for federal student financial aid, and therefore do not have an EFC, are eligible to receive this scholarship but will be ranked last in their relevant group.

e) A Scholar shall receive a scholarship renewal provided the Scholar continues to meet the requirements of subsections (b)(1) and (3) of this Section. No Scholar may receive more than eight semesters/twelve quarters of scholarship assistance. A Scholar shall not receive a scholarship renewal if the Scholar remains at the same academic level for more than two years.

f) The total number of Scholars selected is contingent upon the available funds and the number of scholarship renewals. All scholarships and scholarship renewals are contingent upon sufficient appropriation.

(Source: Amended at 19 Ill. Reg. 8378, effective July 1, 1995)

Section 2762.40 Program Procedures

a) ISAC applications for the Paul Douglas Teacher Scholarship Program are available for distribution to students from: approved high schools in Illinois; offices of Congressional Representatives from the State of Illinois; offices of ISAC in Springfield, Chicago, and Deerfield; and postsecondary institutions throughout Illinois.

b) A completed application must be received in ISAC's Deerfield office on or before August 1 preceding the Academic Year for which the scholarship is being requested in order to receive priority consideration.

1) All Applicants who had not previously been designated as Scholars should also apply for federal student financial aid to determine EFC for the purpose of determining their rank within their relevant group. (See: 20 U.S.C.A. 1070a.)

2) First-time Applicants must also provide their postsecondary Institution a copy of their high school transcripts, any other documentation which verifies rank in class upon high school graduation, or documentation showing their GED test scores. The Institution shall certify to ISAC whether the Applicant is a Qualified Applicant as defined at Section 2762.30(b).

c) A congratulatory letter shall be sent to each Qualified Applicant who is selected as a Scholar. A listing of Scholars shall be made available to Institutions, members of Congress, and to the media.

d) Renewal applications are mailed annually to eligible Scholars and must be submitted to ISAC on or before August 1 preceding the Academic Year for which the scholarship is being requested in order to receive

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priority consideration.

e) Prior to receiving scholarship assistance for any Academic Year, the Scholar must sign a Teaching Agreement/Promissory Note that is submitted to ISAC.

1) The Teaching Agreement/Promissory Note shall require the Scholar to either:

A) fulfill the teaching requirements within ten years after completing the postsecondary education degree program for which the scholarship was awarded, or

B) repay all or part of the scholarship, plus interest, as provided by Federal Regulations. (See: 34 CFR 653.42(c)(1).) The teaching requirement is prorated based upon whether the student received the scholarship for a semester or quarter rather than a full Academic Year.

2) The Teaching Agreement/Promissory Note shall include:

A) a stipulation that the Scholar teach on a full-time basis for a period of not less than two years, for each year of assistance received, in a public or private nonprofit preschool, elementary, or secondary school, or

B) a stipulation that the Scholar teach, on a full-time basis, children with disabilities or children with limited English proficiency in a private non-profit school, and

C) a stipulation that teaching time shall be reduced to one-half if performed in a geographic area or an academic discipline certified as a "teacher shortage area" by the U.S. Secretary of Education, and

D) a further stipulation that the Scholar agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).

f) Scholarship Amount

1) In accordance with this subsection, the Scholar's postsecondary Institution shall compute the amount of the scholarship and shall submit a request form.

2) Except as otherwise provided in this subsection, scholarships shall be in the amount of \$5,000 if the student is enrolled for the full Academic Year. The maximum scholarship for one semester is \$2,500; the maximum scholarship for one quarter is \$1,666.67.

3) If a Paul Douglas Teacher Scholarship, when added to the amount the Scholar is to receive for the same Academic Year under Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.), would exceed the Scholar's cost of attendance, as defined at Section 472 of the Higher Education Act of 1965 (20 U.S.C.A. 1087ll), as amended, the Institution shall take the receipt of the scholarship into account in determining the student's eligibility for other federal financial aid programs. A Paul Douglas Teacher Scholarship shall not be reduced because of the receipt of other federal student assistance.

4) In any Academic Year in which the Scholar accepts financial

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assistance through the Special Education Teacher Tuition Waiver Program (see: 23 Ill. Adm. Code 2765), DeBolt Teacher Shortage Scholarship Program (see: 23 Ill. Adm. Code 2764), or the Minority Teachers of Illinois Scholarship Program (see: 23 Ill. Adm. Code 2763), the Scholar shall not be eligible for scholarship assistance under this Part.

- 5) A Scholar may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the Scholar's cost of attendance exceeds the amount of the scholarship.

- g) Scholarship funds are applicable towards two semesters/three quarters of Full-time study within an Academic Year. Upon receipt of scholarship funds, the Institution shall verify that the Scholar continues to be Enrolled. The Institution may then credit scholarship funds to the recipient's account for expenses then due and payable. The balance of the scholarship funds shall be released to the Scholar. If the Scholar withdraws from enrollment, the Institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended.

- h) A Scholar will be entitled to defer payments due, as outlined in subsection (e)(1)(B) of this Section, during any period in which the recipient meets the conditions outlined in Section 528 of the Higher Education Act, as amended, or applicable federal regulations (see: 34 CFR 653.62(g)).

- i) A Scholar shall be excused from repayment, for any scholarship assistance received under this Part, if the recipient becomes permanently totally disabled as established by the sworn affidavit of a qualified physician or if his or her representative provides ISAC with a death certificate or other evidence that the Scholar has died. Scholars and Applicants may appeal administrative decisions made pursuant to this Part in accordance with ISAC appeal procedures (see: 23 Ill. Adm. Code 2700.70).

- k) Out-of-state Institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of Douglas Scholars.

(Source: Amended at 20 Ill. Reg. 9238, effective July 1, 1996)

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- 1) Heading of the Part: Paul Douglas Teacher Scholarship Program

- 2) Code Citation: 23 Ill. Adm. Code 2762

- 3) Section Numbers: Proposed Action:

2762.10 New

2762.20 New

2762.30 New

2762.40 New

- 4) Statutory Authority: Implementing and authorized by Section 521 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1111 et seq.), and Section 20 (b) and (f) of the Higher Education Student Assistance Act [110 ILCS 947/20(b) and (f)].

- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be

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moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules.

Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

No substantive changes have been made to this program. However, due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2762

PAUL DOUGLAS TEACHER SCHOLARSHIP PROGRAM

Section	Summary and Purpose
2762.10	Applicant Eligibility
2762.20	Program Procedures
2762.30	Institutional Procedures
2762.40	

AUTHORITY: Implementing and authorized by Section 521 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1111 et seq.), and Section 20(b) and (f) of the Higher Education Student Assistance Act [110 ILCS 947/20(b) and (f)].

SOURCE: Emergency Rule adopted at 10 Ill. Reg. 12690, effective July 18, 1986, for a maximum of 150 days; emergency expired December 14, 1986; adopted at 11 Ill. Reg. 3159, effective January 29, 1987; amended at 12 Ill. Reg. 11559, effective July 1, 1988; amended at 13 Ill. Reg. 8650, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1762 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2762 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17865; amended at 16 Ill. Reg. 11313, effective July 1, 1992; amended at 17 Ill. Reg. 10611, effective July 1, 1993; amended at 18 Ill. Reg. 10333, effective July 1, 1994; amended at 19 Ill. Reg. 8378, effective July 1, 1995; amended at 20 Ill. Reg. 9238, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2762.10 Summary and Purpose

- a) The Paul Douglas Teacher Scholarship Program enables and encourages outstanding high school graduates to pursue teaching careers at the pre-school, elementary or secondary school level by providing financial assistance in the form of a scholarship.
- b) Federal regulations govern the responsibilities of the Illinois Student Assistance Commission (ISAC), institutions and recipients. This Part implements ISAC's discretionary authority as the program administrator for the State of Illinois. (See: 34 CFR 653.)
- c) Additional rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700.

Section 2762.20 Applicant Eligibility

- a) A qualified applicant shall:

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- 1) be a United States citizen or an eligible noncitizen;
- 2) be a resident of Illinois;
- 3) be a high school graduate, its equivalent, or a student scheduled to graduate from high school by the end of the secondary school year in which the award is made, who:

- A) graduated or will graduate in the top ten percent of his/her graduating class; or
- B) received a General Educational Development (GED) test score recognized by the General Educational Development Testing Service as the equivalent to ranking in the top ten percent of the United States high school graduates; and
- 4) be enrolled, or accepted for enrollment, as an undergraduate or graduate student seeking initial certification in a Teacher Education Program.
 - A) The applicant must:
 - i) be enrolled or accepted for enrollment on a full-time basis;
 - ii) be enrolled in the last academic term before graduation or engaged in student teaching if enrolled less than full-time; and
 - iii) maintain satisfactory progress toward a degree, or, if the student already has a degree, toward teacher certification, in accordance with the institution's satisfactory academic progress policy.
 - B) Enrollment must be in a postsecondary institution that is approved by the U.S. Department of Education to participate in federal student assistance programs. (See, e.g., 34 CFR 600.10, 600.20, 668.12.)

Section 2762.30 Program Procedures

- a) Applicants will be notified whether they are qualified applicants. A non-qualified applicant may appeal in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.
- b) Recipients shall be selected from among the qualified applicants on the basis of the following criteria:
 - 1) Postsecondary Academic Level. Awards will be made first to renewal applicants, then to all graduate students and seniors, then to all juniors, then to all sophomores, and then to all freshmen.
 - 2) Special Consideration. If there are insufficient funds to award scholarships to all qualified applicants, ISAC shall give special consideration to qualified applicants who are within the same academic level and who:
 - A) intend to teach or provide related services to students with disabilities;
 - B) intend to teach limited English proficient students;
 - C) intend to teach preschool age children;

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- D) intend to teach in schools servicing inner city or rural or geographically isolated areas;
- E) intend to teach in curricular areas or geographic areas where there are demonstrated shortages of qualified teachers; or
- F) are from disadvantaged backgrounds, including students from low-income families; racial and ethnic minorities; individuals with disabilities; and students underrepresented in the teaching profession or in the curricular areas in which they are preparing to teach.
- 3) Shortage of Teachers. If there are insufficient funds to award scholarships to all qualified applicants within a given academic level who are entitled to special consideration, awards will be made first to all applicants enrolled in an academic discipline in which Illinois has a shortage of teachers, as determined annually by the Illinois State Board of Education. (See: 23 Ill. Adm. Code 54.Subpart D.) Funds will next be awarded to applicants at the same academic level in non-shortage disciplines.
- 4) The Expected Family Contribution (EFC) derived from Federal Methodology. If funds are insufficient to make awards to all applicants who are entitled to special consideration, to all applicants in shortage disciplines or to all applicants in non-shortage disciplines, within an academic level, applicants will be ranked in order of the applicant's EFC, from lowest to highest. (See: Section 2762.40(b); Title IV, Part F of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk).) Awards will be made within the relevant group in order of increasing EFC. Those applicants who did not apply for federal student financial aid, and therefore do not have an EFC, are eligible to receive this scholarship but will be ranked last in their relevant group.
- c) An applicant shall receive a scholarship renewal provided s/he continues to meet the requirements of Section 2762.20, Applicant Eligibility. No recipient may receive more than eight semesters/twelve quarters of scholarship assistance. A recipient shall not receive a scholarship renewal if s/he remains at the same academic level for more than two years.
- d) The total number of recipients selected is contingent upon the available funds and the number of scholarship renewals. All scholarships and scholarship renewals are contingent upon sufficient appropriation.
- e) ISAC applications for the Paul Douglas Teacher Scholarship Program are available for distribution to students from: approved high schools in Illinois; offices of Congressional Representatives from the State of Illinois; offices of ISAC in Springfield, Chicago, and Deerfield; and postsecondary institutions throughout Illinois.
- f) A completed application must be received in ISAC's Deerfield office on

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or before August 1 preceding the academic year for which the scholarship is being requested in order to receive priority consideration for an award.

- 1) All applicants who had not previously been designated as recipients should also apply for federal student financial aid to determine EFC for the purpose of determining their rank within their relevant group. (See: 20 U.S.C.A. 1070a.)
- 2) First-time applicants must also provide their postsecondary institution a copy of their high school transcripts, any other documentation which verifies rank in class upon high school graduation, or documentation showing their GED test scores. The institution shall certify to ISAC whether the applicant meets the eligibility criteria listed in Section 2762.20, Applicant Eligibility.
- g) A congratulatory letter shall be sent to each qualified applicant who is selected as a recipient. A listing of recipients shall be made available to institutions, members of Congress, and to the media.
- h) Renewal applications are mailed annually to recipients and must be submitted to ISAC on or before August 1 preceding the academic year for which the scholarship is being requested in order to receive priority consideration for an award.
- i) Prior to receiving scholarship assistance for any academic year, the recipient must sign a Teaching Agreement/Promissory Note that is submitted to ISAC.
- 1) The Teaching Agreement/Promissory Note shall require the recipient to either:
- A) fulfill the teaching requirements within ten years after completing the postsecondary education degree program for which the scholarship was awarded, or
- B) repay all or part of the scholarship, plus interest, as provided by federal regulations. (See: 34 CFR 653.62(c)(1).) The teaching requirement is prorated based upon whether the student received the scholarship for a semester or quarter rather than a full academic year.
- 2) The Teaching Agreement/Promissory Note shall include:
- A) a stipulation that:
- i) the recipient teach on a full-time basis for a period of not less than two years, for each year of assistance received, in a public or private nonprofit preschool, elementary, or secondary school, or
- ii) the recipient teach, on a full-time basis, children with disabilities or children with limited English proficiency in a private non-profit school, and
- B) a stipulation that teaching time shall be reduced to one-half if performed in a geographic area or an academic discipline certified as a "teacher shortage area" by the U.S. Secretary of Education, and
- C) a further stipulation that the recipient agrees to provide

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- ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).
- j) A recipient will be entitled to defer payments due, as outlined in subsection (i)(1)(B) of this Section, during any period in which the recipient meets the conditions outlined in Section 528 of the Higher Education Act, as amended, or applicable federal regulations (see: 34 CFR 653.62(g)).
- k) A recipient shall be excused from repayment, for any scholarship assistance received under this Part, if the recipient becomes permanently totally disabled as established by the sworn affidavit of a qualified physician or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

Section 2762.40 Institutional Procedures

a) Scholarship Amount

- 1) In accordance with this subsection (a), the recipient's postsecondary institution shall compute the amount of the scholarship and shall submit a request form.
 - 2) Except as otherwise provided in this subsection (a), scholarships shall be in the amount of \$5,000 if the student is enrolled for the full academic year. The maximum scholarship for one semester is \$2,500; the maximum scholarship for one quarter is \$1,666.67.
 - 3) If a Paul Douglas Teacher Scholarship, when added to the amount the applicant is to receive for the same academic year under Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.), would exceed the applicant's cost of attendance, as defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711), the institution shall take the receipt of the scholarship into account in determining the student's eligibility for other federal financial aid programs. A Paul Douglas Teacher Scholarship shall not be reduced because of the receipt of other federal student assistance.
 - 4) In any academic year in which the recipient accepts financial assistance through the Special Education Teacher Tuition Waiver Program (see: 23 Ill. Adm. Code 2765), DeBolt Teacher Shortage Scholarship Program (see: 23 Ill. Adm. Code 2764), or the Minority Teachers of Illinois Scholarship Program (see: 23 Ill. Adm. Code 2763), the recipient shall not be eligible for scholarship assistance under this Part.
 - 5) A recipient may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the recipient's cost of attendance exceeds the amount of the scholarship.
- b) Scholarship funds are applicable towards two semesters/three quarters of full-time study within an academic year. Upon receipt of

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- scholarship funds, the institution shall verify that the recipient continues to be enrolled. The institution may then credit scholarship funds to the recipient's account for expenses due and payable. The balance of the scholarship funds shall be released to the recipient. If the recipient withdraws from enrollment, the institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended.
- c) Out-of-state institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of recipients.

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Robert C. Byrd Honors Scholarship Program

- 2) Code Citation: 23 Ill. Adm. Code 2755

- 3) Section Numbers: Proposed Action:

2755.10 Repealed

2755.20 Repealed

2755.30 Repealed

2755.40 Repealed

2755.50 Repealed

2755.Appendix A Repealed

- 4) Statutory Authority: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Applicant Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this Part in this issue of the *Illinois Register*.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartine@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2755

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM (REPEALED)

Section

2755.10 Summary and Purpose

2755.20 Definitions

2755.30 Scholar Eligibility

2755.40 Program Procedures

2755.50 Institutional Procedures

APPENDIX A Geographic Districts

AUTHORITY: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 19 Ill. Reg. 8386, effective July 1, 1995; amended at 20 Ill. Reg. 9244, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2755.10 Summary and Purpose

a) The Robert C. Byrd Honors Scholarship Program promotes student excellence and outstanding academic achievement by providing scholarships to exceptional High School Graduates who show promise of continued academic excellence.

b) Federal Regulations govern the responsibilities of the Illinois Student Assistance Commission (ISAC), Institutions, and Scholars. This Part implements ISAC's discretionary authority as the program administrator for the State of Illinois.

c) Additional Rules and Definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are indicated by the first letter being capitalized.

Section 2755.20 Definitions

"Byrd Scholar" - An individual who receives scholarship assistance under this Part.

"Cost of Attendance" - Defined at Section 472 of the Higher Education Act of 1965, as amended (HEA).

"Federal Regulations" - Regulations promulgated by the U.S. Department

ILLINOIS STUDENT ASSISTANCE COMMISSION

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of Education (ED) and codified at 34 CFR 654.

"Geographic Districts" - One of fifteen geographic areas in Illinois, each consisting of one or more counties, designated in order to ensure an equitable geographic distribution of scholarships within the state.

"High School Graduate" - An individual who has a high school diploma or a General Educational Development (GED) certificate.

"Qualified Applicant" - An Applicant who meets the requirements of Section 2755.30.

"Scholar" - For the purposes of this Part, a Byrd Scholar.

Section 2755.30 Scholar Eligibility

a) A completed application for a Robert C. Byrd Honors Scholarship must be received in ISAC's Deerfield Office on or before January 15 preceding the Academic Year for which the scholarship is being requested.

b) A "Qualified Applicant" must:

- 1) be a United States Citizen or Eligible Noncitizen; and
- 2) be a Resident of Illinois; and
- 3) become a High School Graduate in the same high school year in which s/he submits the scholarship application, and must demonstrate outstanding academic achievement as measured by test scores and high school records; or
- 4) have received a General Educational Development (GED) test score recognized by the General Educational Development Testing Service as the equivalent to ranking in the top five percent of the United States' High School Graduates; and
- 5) be Enrolled or accepted for enrollment on a full-time basis as an undergraduate student in a postsecondary Institution that is approved by the U.S. Department of Education to participate in federal student financial assistance programs. (See, e.g., 34 CFR 600.10, 600.20, 668.12.)

c) Applicants will be notified whether they are Qualified Applicants. A non-Qualified Applicant may appeal a finding of ineligibility in accordance with 23 Ill. Adm. Code 2700.70, Appeal Procedures.

d) Byrd Scholars must be Enrolled on a full-time basis for the first year of study. If after the first year of study, the Byrd Scholar has unusual circumstances, s/he may request a waiver of the full-time enrollment requirement. A waiver form shall be completed by the Scholar, and submitted to ISAC with accompanying documentation. Provided the student continues to be enrolled on at least a half-time basis, the circumstances under which an exception to the full-time enrollment requirement may be granted include:

- 1) the Byrd Scholar's employment hours will not permit additional

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- course load;
- 2) the Byrd Scholar has medical problems that will not permit full-time attendance, as established by the sworn statement of a licensed physician;
 - 3) the Byrd Scholar is in his/her last semester of school and additional course work to complete the degree is not required; or
 - 4) the care of an immediate family member due to illness or incapacitation will not permit an additional course load.
 - e) A Byrd Scholar may postpone or interrupt his or her full-time enrollment at an institution for a maximum of 12 months.
 - f) A student who receives a scholarship under this Part, and who is subsequently determined to be ineligible, shall repay to ISAC the total amount of the funds received for the period during which s/he was ineligible.

(Source: Amended at 20 Ill. Reg. 9244, effective July 1, 1996)

Section 2755.40 Program Procedures

- a) Applications for the Robert C. Byrd Scholarship are available for distribution to students from: approved high schools in Illinois; offices of district and Regional Superintendents of Education of the State of Illinois; offices of ISAC in Springfield, Chicago and Deerfield.
- b) ISAC shall accept applications to be a Robert C. Byrd Honors Scholar in accordance with Section 2755.30 of this Part, Scholar Eligibility.
- c) If the student section of the application is incomplete, notification shall be sent to the Applicant. The Applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) From among timely applications, ISAC shall identify Qualified Applicants.
- e) ISAC shall select new Byrd Scholars from among the highest scoring Qualified Applicants on the basis of the following criteria:
 - 1) Academic Data. A Qualified Applicant's score shall be computed as follows:

$$\left[\frac{\text{number in class}}{\text{divided by rank}} \times .05 \right] + \left[\frac{\text{grade point average}}{\text{divided by scale}} \times 100 \right] + \left[\frac{\text{Illinois Standard Test Score} \times 10}{10} \right] = \text{score}$$
 - A) Grade point average shall be computed as of the end of the sixth semester of high school study or its equivalent. An institution shall use the same scale in reporting all of its Applicants.
 - B) SAT I scores are converted to ACT scores and test scores used in this Part shall be converted to the Illinois Standard Test Score as described in Part 2760, State Scholar

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- Program, Section 2760.30 and Appendices A and B.
- C) If both ACT and SAT I scores are submitted, the higher score, after conversion to ACT, is used.
 - D) For Applicants qualifying by virtue of their GED scores (see Section 2755.30(b)(4) of this Part), class rank shall be set at 5 out of 100 (top 5%) and average GED percentile rank shall be used in lieu of grade point average divided by scale.
 - E) For those high schools that do not submit class ranks, the Applicant scores shall be computed using number in class and rank as equal to one.
 - 2) Geographic District. New Robert C. Byrd Honors Scholarships will be allocated to Geographic Districts in accordance with Appendix A of this Part. An Applicant's county of residence shall be determined by his or her permanent home address.
 - Scholarships will be awarded first to renewing Scholars. A Byrd Scholar will continue to be eligible for a scholarship if the postsecondary institution at which the student is enrolled certifies that the Byrd Scholar is:
 - 1) maintaining enrollment as a Full-time Student, except as provided in Section 2755.30(d) of this Part;
 - 2) maintaining Satisfactory Academic Progress as determined by the Institution;
 - 3) not in default on any Federal student loan nor owing repayment on any state or federal student financial assistance grant; and
 - 4) not receiving Federal financial aid in excess of the student's Cost of Attendance, as determined by the Institution.
 - ISAC performs the calculations regarding grade point averages, test scores, class rank and size in accordance with the procedures established for the State Scholar Program (see 23 Ill. Adm. Code 2760.30 and Appendices A and B).
 - New Byrd Scholars are selected from each of the 15 Geographic Districts, and on an at-large basis, in accordance with the number of awards set forth in Appendix A to this Part. The at-large Scholars shall be chosen from among the highest scoring non-selected Qualified Applicants statewide, regardless of their geographic district.
 - The total number of scholarships awarded in a given fiscal year is contingent upon available funding (see Section 419D of the Higher Education Act of 1965, as amended (20 U.S.C. 1070d-34), Allocation Among States), notwithstanding the number of new scholarships outlined in Appendix A to this Part.
 - Byrd Scholars will be informed of their selection by the April 1 preceding the Academic Year for which the scholarship was requested.
 - All high schools with Robert C. Byrd Scholars will be notified of the Scholars attending their institution by April 15.
 - All Qualified Applicants not selected to be Byrd Scholars will be sent letters notifying them that they have not been chosen.
 - If an individual does not accept the offer of a new scholarship award,

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- the next highest scoring Qualified Applicant not yet selected from the same Geographic District will be chosen to receive a scholarship.
- n) New and renewal Byrd Scholars will complete an "Eligibility Certification," which includes annual certification statements required by ED.
 - o) ISAC shall send verification/payment rosters to Institutions on which they will certify the students' eligibility to receive the Byrd Scholarship.
 - p) Scholarship funds are applicable towards two semesters/three quarters of full-time study within an Academic Year, and shall be sent to the Institution on behalf of the Scholar(s).

(Source: Amended at 20 Ill. Reg. 9244, effective July 1, 1996)

Section 2755.50 Institutional Procedures

- a) Institutions shall ensure that ISAC receives verification/payment rosters prior to the beginning of the fall Term.
- b) Upon receipt of scholarship funds, the Institution(s) shall verify that the Byrd Scholar(s) continues to be Enrolled. The Institution may then credit scholarship funds to the recipient's account for expenses then due and payable. The balance of the scholarship funds shall be released to the Scholar. If the Byrd Scholar withdraws from enrollment, the Institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended.
- c) The total amount of the Byrd Scholarship awarded to a Byrd Scholar in any given Academic Year, when added to the other Federal or State financial aid available to the Byrd Scholar for that year, cannot exceed the student's Cost of Attendance.
 - 1) The amount of any federally guaranteed student loans should be decreased prior to reducing the amount of the Byrd Scholarship.
 - 2) The Byrd Scholarship should be decreased prior to reducing the amount of a Federal Pell Grant.
 - 3) A Monetary Award Program (MAP) grant should be decreased prior to reducing the amount of a Byrd Scholarship.
- d) Except as provided in Section 2755.50(c) of this Part, a Byrd Scholar may receive \$1500 for each Academic Year, up to a maximum of four years of study.
- e) Out-of-state Institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of Byrd Scholars.

(Source: Amended at 20 Ill. Reg. 9244, effective July 1, 1996)

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Section 2755.APPENDIX A Geographic Districts

District Number	Counties	Number of New Scholarships
1	Cook	110
2	DuPage	22
3	Lake	11
4	Winnebago, Boone, McHenry	11
5	Mercer, McDonough, Adams, Schuyler, Warren, Fulton, Sangamon, Cass, Menard, Hancock, Mason, Henderson	11
6	DeKalb, Kane, Lee	11
7	Kendall, Will, Grundy	11
8	Jo Daviess, Ogle, Carroll, Henry, Bureau, Rock Island, Whiteside, Stephenson	11
9	LaSalle, Putnam, Livingston, Ford, McLean, Kankakee, Iroquois	11
10	Knox, Stark, Marshall, Peoria, Woodford, Tazewell	11
11	Champaign, Edgar, Vermilion, Coles, Clark, Douglas, Cumberland, Jasper, Crawford	11
12	Logan, DeWitt, Piatt, Macon, Christian, Moultrie, Shelby, Montgomery, Clay, Marion, Effingham, Bond, Fayette	11
13	Calhoun, Green, Scott, Brown, Pike, Jersey, Morgan, Madison, Macoupin	11
14	Richland, Wayne, Lawrence, Wabash, Edwards, White, Jefferson, Union, Franklin, Hardin, Hamilton, Saline, Gallatin, Johnson, Pope, Jackson,	11

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District Number	Counties	Number of New Scholarships
15	Massac, Alexander, Pulaski, Williamson	11
	St. Clair, Perry, Clinton, Monroe, Washington, Randolph	
-	At-Large	11

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- 1) Heading of the Part: Robert C. Byrd Honors Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2755
- 3) Section Numbers: Proposed Action:
 2755.10 New
 2755.20 New
 2755.30 New
 2755.40 New
 2755.Appendix A New
- 4) Statutory Authority: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility,

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Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to the current rules for this program, the date by which the applicant will be informed if s/he is a recipient has been changed to May 1. The date by which the high school will be notified of any recipients attending the school has also been changed to May 1. This change is being made for consistency between programs.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3 (b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this

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proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847) 948-8500
email: rmartine@isc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2755

ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Section	
2755.10	Summary and Purpose
2755.20	Applicant Eligibility
2755.30	Program Procedures
2755.40	Institutional Procedures
Appendix A	Geographic Districts

AUTHORITY: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act (110 ILCS 947/20(f)).

SOURCE: Adopted at 19 Ill. Reg. 8386, effective July 1, 1995; amended at 20 Ill. Reg. 9244, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2755.10 Summary and Purpose

- a) The Robert C. Byrd Honors Scholarship Program promotes student excellence and outstanding academic achievement by providing scholarships to exceptional high school graduates who show promise of continued academic excellence.
- b) Federal regulations govern the responsibilities of the Illinois Student Assistance Commission (ISAC), institutions and recipients. This Part implements ISAC's discretionary authority as the program administrator for the State of Illinois.
- c) Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2755.20 Applicant Eligibility

- a) Initially, a qualified applicant shall:
 - 1) be a United States citizen or eligible noncitizen;
 - 2) be a resident of Illinois;
 - 3) become a high school graduate in the same high school year in which s/he submits the scholarship application, or have passed a General Educational Development (GED) test in the same high school year in which s/he submits the scholarship application;
 - 4) demonstrate outstanding academic achievement as measured by test

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scores and high school records, or have received a GED test score recognized by the General Educational Development Testing Service as the equivalent to ranking in the top five percent of the United States high school graduates; and

- 5) be enrolled or accepted for enrollment on a full-time basis as an undergraduate student in a postsecondary institution that is approved by the U.S. Department of Education to participate in federal student financial assistance programs. (See, e.g., 34 CFR 600.10, 600.20, 668.12.)

- b) A recipient will continue to be eligible for a scholarship if the postsecondary institution at which the student is enrolled certifies that the recipient is:
 - 1) maintaining enrollment as a full-time student, except as provided in Section 2755.30(e) of this Part;
 - 2) maintaining satisfactory academic progress as determined by the institution;
 - 3) not in default on any federal student loan nor owing repayment on any State or federal student financial assistance grant; and
 - 4) not receiving federal financial aid in excess of the student's cost of attendance, as determined by the institution.

Section 2755.30 Program Procedures

- a) A completed application for a Robert C. Byrd Honors Scholarship must be received in ISAC's Deerfield office on or before January 15 preceding the academic year for which the scholarship is being requested.
- b) Applications for the Robert C. Byrd Scholarship are available for distribution to students at approved high schools in Illinois; offices of district and Regional Superintendents of Education of the State of Illinois; offices of ISAC in Springfield, Chicago and Deerfield.
- c) If the student section of the application is incomplete, notification shall be sent to the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) Recipients must be enrolled on a full-time basis for the first year of study.
- e) After the first year of study, the recipient may request a waiver of the full-time enrollment requirement due to unusual circumstances. A waiver form shall be completed by the recipient and submitted to ISAC with accompanying documentation. The circumstances under which an exception to the full-time enrollment requirement may be granted include:
 - 1) the recipient's employment hours will not permit additional course load;
 - 2) the recipient has medical problems that will not permit full-time

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attendance, as established by the sworn statement of a licensed physician;

3) the recipient is in his/her last semester of school and additional course work to complete the degree is not required; or

4) the care of an immediate family member due to illness or incapacitation will not permit an additional course load.

f) After the first year of study, a recipient may postpone or interrupt his or her enrollment at an institution for a maximum of 12 months.

g) A recipient who is subsequently determined to be ineligible shall repay ISAC the total amount of the funds received for the period during which s/he was ineligible.

h) ISAC shall select new recipients from among the timely applications filed by highest scoring qualified applicants on the basis of the following criteria:

- 1) Academic Data. A qualified applicant's score shall be computed as follows:

$$\begin{aligned} &[(\text{number in class divided by rank}) \times .05] \\ &+ [(\text{grade point average divided by scale}) \times 100] \\ &+ [(\text{Illinois Standard Test Score} \times 10) = \text{score}] \end{aligned}$$

A) Rank in class, class size and grade point average (GPA) shall be reported as of the end of the third semester prior to graduation from high school or its equivalent. An institution shall use the same class size and GPA scale in reporting all of its applicants.

B) SAT I scores are converted to ACT scores and test scores used in this Part shall be converted to the Illinois Standard Test Score as described in 23 Ill. Adm. Code 2760.30(b).

C) If more than one score is submitted, the highest score is used.

D) For applicants qualifying by virtue of their GED scores (see Section 2755.20(a)(4) of this Part), class rank shall be set at 5 out of 100 (top 5%) and average GED percentile rank shall be used in lieu of grade point average divided by scale.

E) For those high schools that do not submit class ranks, the applicant scores shall be computed using number in class and rank as equal to one.

2) Geographic District. New Robert C. Byrd Honors Scholarships will be allocated within geographic districts in accordance with Appendix A of this Part. An applicant's county of residence shall be determined by his or her permanent home address.

i) Scholarships will be awarded first to renewing applicants.

j) Scholarship funds are applicable towards an academic year of study.

k) New recipients are selected from each of the 15 geographic districts,

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and on an at-large basis, in accordance with the number of awards set forth in Appendix A to this Part. The at-large recipients shall be chosen from among the highest scoring non-selected qualified applicants statewide, regardless of their geographic district.

1) The total number of scholarships awarded in a given fiscal year is contingent upon available funding (see Section 419D of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-34), Allocation Among States), notwithstanding the number of new scholarships outlined in Appendix A to this Part.

m) Recipients will be informed of their selection by the May 1 preceding the academic year for which the scholarship was requested.

n) High schools will be notified of the recipients attending their high school by May 1.

o) All qualified applicants not selected to be recipients will be sent letters notifying them that they have not been chosen.

p) If an individual does not accept the offer of a new scholarship award, the next highest scoring qualified applicant not yet selected from the same geographic district will be chosen to receive a scholarship.

q) Recipients will be required to complete annually an "Eligibility Certification" that includes certification statements required by ED.

r) Scholarship funds shall be sent to the institution on behalf of the recipient(s).

Section 2755.40 Institutional Procedures

a) Institutions shall certify the qualified applicant's eligibility with its request for payment within the timeframe specified by ISAC.

b) Upon receipt of scholarship funds, the institution(s) shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit scholarship funds to the recipient's account for expenses due and payable. If the recipient withdraws from enrollment prior to completing the academic year of study, the institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended.

c) The total amount of the Byrd Scholarship awarded to a recipient in any given academic year, when added to the other federal or State financial aid available to the recipient for that year, cannot exceed the student's cost of attendance.

1) The amount of any federally guaranteed student loans should be decreased prior to reducing the amount of the Byrd Scholarship.

2) A Monetary Award Program (MAP) grant should be decreased prior to reducing the amount of a Byrd Scholarship.

3) The Byrd Scholarship should be decreased prior to reducing the amount of a Federal Pell Grant.

d) Except as provided in Section 2755.40(c) of this Part, a recipient may receive up to \$1500 for each academic year, up to a maximum of four years of study. Scholarship payment is subject to the limit of available federal funding.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULE(S)

- e) Out-of-state institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of recipients.

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NOTICE OF PROPOSED RULE(S)

Section 2755. Appendix A Geographic Districts

District Number	Counties	Number Of New Scholarships
1	Cook	110
2	DuPage	22
3	Lake	11
4	Winnebago, Boone, McHenry	11
5	Mercer, McDonough, Adams, Schuyler, Warren, Fulton, Sangamon, Cass, Menard, Hancock, Mason, Henderson	11
6	DeKalb, Kane, Lee	11
7	Kendall, Will, Grundy	11
8	Jo Daviess, Ogle, Carroll, Henry, Bureau, Rock Island, Whiteside, Stephenson	11
9	LaSalle, Putnam, Livingston, Ford, McLean, Kankakee, Iroquois	11
10	Knox, Stark, Marshall, Peoria, Woodford, Tazewell	11
11	Champaign, Edgar, Vermilion, Coles, Clark, Douglas, Cumberland, Jasper, Crawford	11
12	Logan, DeWitt, Piatt, Macon, Christian, Moultrie, Shelby, Montgomery, Clay, Marion, Effingham, Bond, Fayette	11
13	Calhoun, Green, Scott, Brown, Pike, Jersey, Morgan, Madison, Macoupin	11
14	Richland, Wayne, Lawrence, Wabash, Edwards, White, Jefferson, Union, Franklin, Hardin, Hamilton, Saline, Gallatin, Johnson, Pope, Jackson, Massac, Alexander, Pulaski, Williamson	11
15	St. Clair, Perry, Clinton, Monroe, Washington, Randolph	11
-	At-Large	11

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: State Scholar Program
- 2) Code Citation: 23 Ill. Adm. Code 2760
- 3)

<u>Section numbers:</u>	<u>Proposed Action:</u>
2760.5	Repealed
2760.10	Repealed
2760.30	Repealed
2760.40	Repealed
2760.Appendix A	Repealed
2760.Appendix B	Repealed
- 4) Statutory Authority: Implementing Section 25 and authorized by Section 20 (f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.
- 6) Does this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us
- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.
- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2760

STATE SCHOLAR PROGRAM (REPEALED)

Section

2760.5 Summary and Purpose

2760.10 Selection Criteria

2760.30 Testing and Class Ranking of Students to be Considered for Program

2760.40 Other Information

APPENDIX A SAT Verbal Equivalence Table (Repealed)

APPENDIX B SAT Mathematical Equivalence Table (Repealed)

AUTHORITY: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 4 Ill. Reg. 16, p. 118, effective April 7, 1980; rules repealed, new rules adopted at 5 Ill. Reg. 7251, effective June 26, 1981; amended at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10878; amended at 9 Ill. Reg. 20877, effective January 1, 1986; amended at 11 Ill. Reg. 3242, effective January 29, 1987; amended at 11 Ill. Reg. 14137, effective August 10, 1987; amended at 13 Ill. Reg. 8654, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1760 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2760 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17868; amended at 14 Ill. Reg. 10589, effective July 1, 1990; amended at 16 Ill. Reg. 11321, effective July 1, 1992; amended at 17 Ill. Reg. 10624, effective July 1, 1993; amended at 18 Ill. Reg. 10346, effective July 1, 1994; amended at 19 Ill. Reg. 8395, effective July 1, 1995; amended at 20 Ill. Reg. 9251, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2760.5 Summary and Purpose

a) The State Scholar Program publicly and personally identifies graduating high school seniors who possess superior academic potential. Each student designated as a State Scholar receives a Certificate of Achievement and statewide recognition in the news media. The Illinois Student Assistance Commission (ISAC) provides the names of State Scholars to Illinois colleges and universities which actively seek State Scholars for admission. No financial assistance is awarded by ISAC through this program.

b) This Part establishes Rules which govern the State Scholar Program. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined terms are

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

indicated by the first letter being capitalized.

(Source: Amended at 17 Ill. Reg. 10624, effective July 1, 1993)

Section 2760.10 Selection Criteria

The State Scholar Program designates high school seniors as State Scholars if candidates: demonstrate superior academic potential as measured by test scores and high school records; are Citizens of the United States or Eligible Noncitizens; are Residents of the State of Illinois; and rank in the upper half of their class.

(Source: Amended at 17 Ill. Reg. 10624, effective July 1, 1993)

Section 2760.30 Testing and Class Ranking of Students to be Considered for Program

a) To be considered for the State Scholar Program, a student must take either the American College Testing (ACT) Assessment or the College Board's SAT I: Reasoning Test, during the third or fourth semester prior to graduation from high school (e.g., for a student attending high school for the traditional eight semesters, the exam must be taken during the fifth or sixth semester).

1) A student may take either or both examinations during the designated period.

2) All scores from such tests taken during the designated period must be submitted to ISAC.

3) If a student submits scores from any two examinations taken during the designated period, ISAC will use the higher of the two scores.

4) If the student submits scores from more than two examinations, taken during the designated period, ISAC will disregard the lowest score and use the average of the remaining scores.

5) When a student submits scores to ISAC, the student must report his/her Academic Level at the time the test was taken.

b) ISAC will accept supplementary score reports of tests taken during the designated period upon the student's authorization to the test service. Such authorization by the student must be received by ISAC before August 1.

c) Students who, for any reason, are unable to take a test on a regular testing date should make special arrangements to be tested in accordance with the procedures of the testing service. Any such special arrangements must take into account the test score submission deadline in subsections (a) and (b) of this Section.

d) In order for its students to be considered for the State Scholar Program, a high school must calculate and provide to ISAC the sixth semester class ranks of students who desire to be considered for the Program.

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- 1) Class ranks are to be calculated so that the class rank for the lowest Grade Point Average (GPA) equals the total number of students being ranked.

Example:	Class Rank	GPA
	1	99.3
	2	98.9
	2	98.9
	4	98.1
	5	97.9
	5	97.9
	7	97.4

- 2) The equivalent Term rank shall be provided for students planning to graduate in other than the traditional four years (see 2760.30(a)).

- e) Test scores submitted in accordance with this Part shall be converted to an Illinois Standard Test Score as follows:

- 1) The ACT Assessment Composite Score shall be the Illinois Standard Test Score.
- 2) SAT I verbal and math scores shall be added, and then converted to the Illinois Standard Test Score using the table below.

Illinois Standard Test Score Table

Illinois Standard Test Score	SAT I Verbal + Math	ACT Composite
36	1580 to 1600	36
35	1530 to 1570	35
34	1500 to 1520	34
33	1450 to 1490	33
32	1400 to 1440	32
31	1360 to 1390	31
30	1320 to 1350	30
29	1280 to 1310	29
28	1240 to 1270	28
27	1200 to 1230	27
26	1170 to 1190	26
25	1130 to 1160	25
24	1090 to 1120	24
23	1050 to 1080	23
22	1010 to 1040	22
21	970 to 1000	21
20	930 to 960	20
19	890 to 920	19
18	850 to 880	18

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17	810 to 840	17
16	760 to 800	16
15	710 to 750	15
14	660 to 700	14
13	620 to 650	13
12	570 to 610	12
11	520 to 560	11
10	470 to 510	10
9	430 to 460	9
8	400 to 420	8

- f) High School class ranks submitted in accordance with this Part shall be converted to an Illinois Standard Rank Score as follows:

- 1) First, determine the percentile of the class rank for each student in accordance with the following formula:

$$\text{Percentile} = \left[\frac{\text{Size of Class} - \text{Rank in Class}}{\text{Size of Class}} \right] \times 100$$

- 2) Then, use table below to convert a percentile class rank to the Illinois Standard Rank Score.

Percentile	Illinois Standard Rank Score
99.75 - 99.99	30
99.54 - 99.74	29
99.19 - 99.53	28
98.62 - 99.18	27
97.73 - 98.61	26
96.42 - 97.72	25
94.53 - 96.41	24
91.93 - 94.52	23
88.50 - 91.92	22
84.14 - 88.49	21
78.82 - 84.13	20
72.58 - 78.81	19
65.55 - 72.57	18
57.94 - 65.54	17
50.00 - 57.93	16

- g) An Illinois Weighted Selection Score for each student shall be computed by multiplying the Illinois Standard Test Score by two, and adding that result to the Illinois Standard Rank Score.

- h) In any Academic Year, the number of State Scholars is approximately equal to ten percent of the estimated total number of Illinois high school graduates. ISAC annually establishes a minimum Weighted Selection Score to yield this result.

- i) Notwithstanding the previous provisions in this Section, any student nominated by his or her school shall be designated a State Scholar if that student achieves a score at or above the 95th percentile on the

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American College Testing (ACT) standardized assessment examination, or the equivalent thereof on a comparable examination, regardless of that student's class rank.

(Source: Amended at 20 Ill. Reg. 9251, effective July 1, 1996)

Section 2760.40 Other Information

- a) High school officials or student candidates shall have a period of 60 days following the announcement of the State Scholars to appeal a student's status. (See: 23 Ill. Adm. Code 2700.70, Appeal Procedures.)
- b) A Certificate of Achievement and congratulatory letter are issued for each State Scholar.
- c) A listing of State Scholars shall be available upon request to colleges, members of the General Assembly, and to the media.
- d) If an appeal concerning an Applicant's eligibility is received, ISAC shall request the high school to verify the reported data. If the conflict remains, ISAC shall conduct an audit of the high school's records in accordance with 23 Ill. Adm. Code 2700.60.
- e) Mailing labels of State Scholars' names shall be available, at cost, to Illinois colleges and associations of Illinois colleges. Payment must be received by ISAC at the time the mailing labels are ordered. Requestors of labels shall provide written assurance to ISAC that the labels will not be resold or released to others in any manner.
- f) In order for a student to be considered eligible for designation as a State Scholar, the student must attend an approved high school. An approved private high school is any high school located in Illinois which, in the judgment of the State Superintendent of Education, provides a course of instruction at the secondary level and maintains standards of instruction substantially equivalent to those of public high schools located in Illinois. The State Superintendent's approval is demonstrated through a "Certificate of Nonpublic School Recognition" issued by the Illinois State Board of Education (ISBE).

(Source: Amended at 20 Ill. Reg. 9251, effective July 1, 1996)

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Section 2760.APPENDIX A SAT Verbal Equivalence Table (Repealed)

(Source: Repealed at 20 Ill. Reg. 9251, effective July 1, 1996)

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NOTICE OF PROPOSED REPEAL

Section 2760.APPENDIX B SAT Mathematical Equivalence Table (Repealed)

(Source: Repealed at 20 Ill. Reg. 9251, effective July 1, 1996)

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NOTICE OF PROPOSED RULES(S)

1) Heading of the Part: State Scholar Program2) Code Citation: 23 Ill. Adm. Code 27603) Section numbers: Proposed Action:

2760.10 New

2760.20 New

2760.30 New

4) Statutory Authority: Implementing Section 25 and authorized by Section 20 (f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30, and Program Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions. Statutory eligibility criteria that previously may have been included in various definitions, have been moved

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES(S)

to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISAC's scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISAC's continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to the current rules and to simplify the program, the proposed rules include the following differences in determining applicant eligibility. These differences, however, do not change the overall number of State Scholars. The proposed rules allow ISAC to use the highest score submitted by a student to determine eligibility, if s/he takes more than one test. Currently, to determine eligibility for an award, if a student submits scores from more than two tests, ISAC disregards the lower score and averages the remaining scores. A simpler, more equitable formula for determining the Illinois Weighted Selection Score has been included in the Program Procedures Section. The current formula weighs test scores more heavily than class rank. The proposed formula gives equal weighting to both attributes. An analysis of the proposed formula has shown that this change will mean slightly more female, African-American, Native-American and Mexican-American students will be designated as State Scholars.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

- 10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES(S)

Act (Ill. Rev. Stat. 1991, ch. 85, par 2203) [30 ILCS 805/3(b)] and does not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
(847) 948-8500
email: rmartine@isc016rl.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2760

STATE SCHOLAR PROGRAM

Section

2760.10 Summary and Purpose

2760.20 State Scholar Eligibility

2760.30 Program Procedures

AUTHORITY: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 4 Ill. Reg. 16, p. 118, effective April 7, 1980; rules repealed, new rules adopted at 5 Ill. Reg. 7251, effective June 26, 1981; amended at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10878; amended at 9 Ill. Reg. 20877, effective January 1, 1986; amended at 11 Ill. Reg. 3242, effective January 29, 1987; amended at 11 Ill. Reg. 14137, effective August 10, 1987; amended at 13 Ill. Reg. 8654, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1760 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2760 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17868; amended at 14 Ill. Reg. 10589, effective July 1, 1990; amended at 16 Ill. Reg. 11321, effective July 1, 1992; amended at 17 Ill. Reg. 10624, effective July 1, 1993; amended at 18 Ill. Reg. 10346, effective July 1, 1994; amended at 19 Ill. Reg. 8395, effective July 1, 1995; amended at 20 Ill. Reg. 9251, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2760.10 Summary and Purpose

- a) The State Scholar Program publicly and personally identifies graduating high school seniors who possess superior academic potential. Each student designated as a State Scholar receives a Certificate of Achievement and statewide recognition in the news media. The Illinois Student Assistance Commission (ISAC) provides the names of State Scholars to Illinois colleges and universities which actively seek State Scholars for admission. No financial assistance is awarded by ISAC through this program.
- b) This Part establishes rules which govern the State Scholar Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2760.20 State Scholar Eligibility

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NOTICE OF PROPOSED RULES(S)

- a) To be considered for the State Scholar Program, a high school student shall:
 - 1) demonstrate superior academic potential as measured by test scores and high school records;
 - 2) be a United States citizen or eligible noncitizen;
 - 3) be a resident of Illinois;
 - 4) rank in the upper half of his/her high school class; and
 - 5) attend an approved high school.

- b) To be considered for the State Scholar Program, a student must take either the American College Testing (ACT) Assessment or the College Board's SAT I: Reasoning Test, during the third or fourth semester prior to graduation from high school (e.g., for a student attending high school for the traditional eight semesters, the exam must be taken during the fifth or sixth semester).

- 1) A student may take either or both examinations during the designated period;
 - 2) all scores from such tests taken during the designated period must be submitted to ISAC;
 - 3) if a student submits scores from two or more examinations taken during the designated period, ISAC will use the highest score; and
 - 4) when a student submits scores to ISAC, the student must report his/her academic level at the time the test was taken.
- c) ISAC will accept supplementary score reports of tests taken during the designated period upon the student's authorization to the test service. Such authorization by the student must be received by ISAC before August 1.
- d) Students who, for any reason, are unable to take a test on a regular testing date should make special arrangements to be tested in accordance with the procedures of the testing service. Any such special arrangements must take into account the test score submission deadline in subsections (b) and (c) of this Section.

Section 2760.30 Program Procedures

- a) In order for its students to be considered for the State Scholar Program, a high school must calculate and provide to ISAC class ranks as of the third semester prior to graduation of students who desire to be considered for the Program.

- 1) Class ranks are to be calculated so that the class rank for the lowest Grade Point Average (GPA) equals the total number of students being ranked.

Example: Class Rank GPA

1	99.3
2	98.9
2	98.9

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NOTICE OF PROPOSED RULES(S)

4	98.1
5	97.9
5	97.9
7	97.4

- 2) The equivalent term rank shall be provided for students planning to graduate in other than the traditional four years (see Section 2760.20(b)).
- b) Test scores submitted in accordance with this Part shall be converted to an Illinois Standard Test Score as follows:
- 1) The ACT Assessment Composite Score shall be the Illinois Standard Test Score.
 - 2) SAT I verbal and math scores shall be added, and then converted to the Illinois Standard Test Score using the table below.

Illinois Standard Test Score Table

Illinois Standard Test Score	SAT I Verbal + Math	ACT Composite
36	1580 to 1600	36
35	1530 to 1570	35
34	1500 to 1520	34
33	1450 to 1490	33
32	1400 to 1440	32
31	1360 to 1390	31
30	1320 to 1350	30
29	1280 to 1310	29
28	1240 to 1270	28
27	1200 to 1230	27
26	1170 to 1190	26
25	1130 to 1160	25
24	1090 to 1120	24
23	1050 to 1080	23
22	1010 to 1040	22
21	970 to 1000	21
20	930 to 960	20
19	890 to 920	19
18	850 to 880	18
17	810 to 840	17
16	760 to 800	16
15	710 to 750	15
14	660 to 700	14
13	620 to 650	13
12	570 to 610	12
11	520 to 560	11
10	470 to 510	10
9	430 to 460	9

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8	400 to 420	8
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- c) High school class ranks submitted in accordance with this Part shall be converted to an Illinois Standard Rank Score as follows:

1) First, determine the percentile of the class rank for each student in accordance with the following formula:

$$\text{Percentile} = \left[\frac{\text{Size of Class MINUS (Rank in Class minus .5)}}{\text{divided by Size of Class}} \right]$$

- 2) Then, use the table below to convert a percentile class rank to the Illinois Standard Rank Score.

Percentile	Illinois Standard Rank Score
99.75 - 99.99	30
99.54 - 99.74	29
99.19 - 99.53	28
98.62 - 99.18	27
97.73 - 98.61	26
96.42 - 97.72	25
94.53 - 96.41	24
91.93 - 94.52	23
88.50 - 91.92	22
84.14 - 88.49	21
78.82 - 84.13	20
72.58 - 78.81	19
65.55 - 72.57	18
57.94 - 65.54	17
50.00 - 57.93	16

- d) An Illinois Weighted Selection Score for each student shall be computed by adding the Illinois Standard Test Score to the Illinois Standard Rank Score.

e) In any academic year, the number of State Scholars is approximately equal to ten percent of the estimated total number of Illinois high school graduates. ISAC annually establishes a minimum Weighted Selection Score to yield this result.

f) Notwithstanding the previous provisions in this Section, any student nominated by his or her school shall be designated a State Scholar if that student achieves a score at or above the 95th percentile on the American College Testing (ACT) standardized assessment examination, or the equivalent thereof on a comparable examination, regardless of that student's class rank.

g) A Certificate of Achievement and congratulatory letter are issued for each State Scholar.

h) A listing of State Scholars shall be available upon request to colleges, members of the General Assembly and to the media.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES(S)

- i) Mailing labels of State Scholars' names shall be available, at cost, to Illinois colleges and associations of Illinois colleges. Payment must be received by ISAC at the time the mailing labels are ordered. Requestors of labels shall provide written assurance to ISAC that the labels will not be resold or released to others in any manner.
- j) High school officials or student candidates shall have a period of 60 days following the announcement of the State Scholars to appeal a student's status. (See: 23 Ill. Adm. Code 2700.70, Appeal Procedures.)
- k) If an appeal concerning an applicant's eligibility is received, ISAC shall request the high school verify the reported data. If the conflict remains, ISAC shall conduct an audit of the high school's records in accordance with 23 Ill. Adm. Code 2700.60.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Student to Student (STS) Program of Matching Grants
- 2) Code Citation: 23 Ill. Adm. Code 2770
- 3) Section numbers:

2770.10	Repealed
2770.20	Repealed
2770.30	Repealed
- 4) Statutory Authority: Implementing Section 65 and authorized by the Section 20(f) of the Higher Education Student Assistant Act [110 ILCS 947/65 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: As part of ISAC's annual rules review process, staff and clients became cognizant of the fact that many Parts of ISAC's rules have evolved over the years and, as a result, have followed somewhat different section numbering and section title formats. In an effort to simplify its rules, and student financial assistance processes, in general, ISAC intends for every Part relating to State scholarships, grants or alternative loans to follow the same basic format (i.e., Section xxx.10 Summary and Purpose, Section xxx.20 Applicant Eligibility, Section xxx.30 Program Procedures, and Section xxx.40 Institutional Procedures). Additionally, definitions previously contained in various Parts of ISAC's rules, are being moved to one central location or are being incorporated into the Eligibility Section within the Part. Because of the changes to the format described above, some subsections would need to be moved from one section to another, making it difficult to discern between substantive amendments and the basic reorganization of existing provisions within the Part. Rather than engaging in multiple rulemakings (to recodify or renumber and amend) to meet the State's codification requirements, ISAC determined that it would be most prudent to rewrite the rules for this program. Therefore, due to the number of formatting changes involved in implementing the new codification scheme, the existing rules are being repealed and entirely new rules are being proposed in conjunction with this repealer.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No. Please note, however, that ISAC has proposed new rules for this program in this issue of the *Illinois Register*.
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
847/948-8500
email: rmartinez@isc016r1.state.il.us

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

- 13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed repealer begin on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2770

STUDENT TO STUDENT (STS) PROGRAM OF MATCHING GRANTS (REPEALED)

Section
2770.10 Summary and Purpose
2770.20 Definitions
2770.30 Program Procedures and Requirements

AUTHORITY: Implementing Section 65 and authorized by Section 20(f) of the Higher Education Student Assistant Act [110 ILCS 947/65 and 20(f)].

SOURCE: Adopted at 4 Ill. Reg. 6, p. 221, effective January 30, 1980; codified at 7 Ill. Reg. 9925; transferred from Chapter IX, 23 Ill. Adm. Code 1770 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2770 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17869; amended at 16 Ill. Reg. 11329, effective July 1, 1992; amended at 17 Ill. Reg. 10632, effective July 1, 1993; amended at 18 Ill. Reg. 10354, effective July 1, 1994; amended at 20 Ill. Reg. 9260, effective July 1, 1996; repealed at 21 Ill. Reg. _____, effective _____.

Section 2770.10 Summary and Purpose

- a) Student to Student is a program of monetary awards available to undergraduates at state-supported Colleges and Universities through Voluntary Contributions from students and matching grants from the state.
- b) This Part establishes Rules that govern the Student to Student (STS) Program of Matching Grants. Additional Rules and definitions are contained in the General Provisions Part at 23 Ill. Adm. Code 2700. Defined Terms are indicated by the first letter being capitalized. Statutory language is italicized.

(Source: Amended at 17 Ill. Reg. 10632, effective July 1, 1993

Section 2770.20 Definitions

"College or University" - means any of the State-supported Institutions of higher learning, including Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University (Carbondale), Southern Illinois University (Edwardsville), University of Illinois (Chicago), University of Illinois (Springfield), University of Illinois (Urbana)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

and Western Illinois University or public community colleges as established and defined by the Public Community College Act. (Section 65(a) of the Higher Education Student Assistance Act [110 ILCS 947/65(a)])

"Voluntary Contribution" - includes fees collected from students by college or university officials when such fee is optional or refundable to students and has been approved by a majority of those voting in a campus-wide referendum of students. (Section 65(a) of the Higher Education Student Assistance Act)

(Source: Amended at 20 Ill. Reg. 9260, effective July 1, 1996)

Section 2770.30 Program Procedures and Requirements

- a) An eligible program is an organized, need-based monetary awards (gift assistance) program for undergraduate students at an Illinois College or public University. The funds for those programs must be derived from Voluntary Contributions raised by students from students of that College or University according to a plan developed and approved by the students and consistent with College or University policies.
- b) Voluntary Contributions can be obtained from graduate students; the assistance program, however, can aid only undergraduates. A portion of the total contribution can be used to aid graduate students. Funds set aside for graduate students will not be matched by the Commission.
- c) Students shall approve the plan for raising Voluntary Contributions by a majority of those voting in a campus-wide referendum.
- d) The contributions, to be eligible for matching funds, must be voluntary (as contrasted to a non-refundable fee or charge). Only those Voluntary Contributions made by enrolled students of the College or University are eligible for matching. If any fund raising activity yields contributions from other individuals or organizations, the Voluntary Contributions by enrolled students must be clearly identifiable.
- e) Particular care must be employed in implementing contribution plans that generate contributions from non-students. The law leaves no latitude in this regard. Special cash receipt systems must be used to make certain that student contributions are clearly identifiable.
- f) No eligible contribution can exceed \$9.00 per academic year.
- g) The \$1,000 annual limit on a STS award shall be applicable to all terms including the summer term.
- h) Only students who demonstrate need by some nationally recognized needs analysis system can be considered for STS matching grants.
- i) STS funds can be used for undergraduates who are otherwise eligible for an ISAC monetary award but have completed their 10 semesters or 15 quarters of eligibility.
- j) Each Institution desiring to participate in this program shall inform ISAC, annually in writing, by the deadline specified by the

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

Commission. The method of seeking student approval of a fund raising plan shall be included in such letter.

- k) A claim for matching funds can be submitted to ISAC by dates specified by the Commission. The initial claim shall include:

- 1) the amount of the claim;
- 2) how general student approval was obtained;
- 3) how funds were collected;
- 4) the steps employed to insure that student contributions were voluntary; and
- 5) documentation that the claim includes only Voluntary Contributions by enrolled students.

- l) A supplementary claim can be filed after a filing date for the purpose of adjusting a regular claim filed earlier.

- m) A pro-rata distribution, if any, will be determined in accordance with general Commission action.

- n) After ISAC has reviewed a claim and computed the proration, ISAC shall process the necessary voucher for a check payable to the College or University for the awards.

- o) Each participating College or University shall submit to ISAC an annual report, no later than August 15, following the award year, of the activities, operations, and results of its STS grant program. ISAC shall forward a copy of such report to the Illinois Board of Higher Education.

- p) Matching funds must be expended by the end of the Academic Year following the year in which the funds are requested.

- q) Matching funds must be requested in the same Academic Year in which the Voluntary Contribution is obtained.

(Source: Amended at 20 Ill. Reg. 9260, effective July 1, 1996)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Student to Student (STS) Program of Matching Grants
- 2) Code Citation: 23 Ill. Adm. Code 2770
- 3) Section numbers: Proposed Action:
 2770.10 New
 2770.20 New
 2770.30 New
 2770.40 New
- 4) Statutory Authority: Implementing Section 65 and authorized by the Section 20(f) of the Higher Education Student Assistant Act [110 ILCS 947/65 and 20(f)].

5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, and to clarify issues that have arisen during the previous year. This year, in response to client suggestions and in an ongoing effort to simplify the student financial aid delivery process, ISAC staff reviewed the agency's administrative rules with the goal of standardizing them where possible, and thus making them more user-friendly for students and schools alike. This mirrors an effort currently underway at the U.S. Department of Education to review and streamline federal regulations in order to simplify student financial assistance processes.

ISAC staff has been working with the financial aid community to review policies, procedures, systems, rules, etc., in order to improve processes for the awarding of scholarships and grants, with a focus on improvements in efficiency, standardization and simplification. This process, termed "Scholarship and Grant Re-engineering" is a multi-year project involving several components: systems, applications, rules and legislation. The ultimate goal is for the programs to be more uniform, which will result in more understandable and easily-administered programs.

Toward this end, ISAC is proposing several format changes to the rules for this program which will allow similarities between the programs to be easily identified, will highlight differences in eligibility criteria and program requirements, and will better serve the population that this program is designed to benefit. Many Parts of ISAC's rules have evolved over the years and as a result, have followed somewhat different section numbering and title formats. ISAC is proposing that every Part of the rules related to the State scholarship and grant programs and the Alternative Loan Program follow the same basic format (i.e., Section xxxx.10 Summary and Purpose, Section xxxx.20 Applicant Eligibility, Section xxxx.30 Program Procedures, and Section xxxx.40 Institutional Procedures). For ease of reference, ISAC proposes that all definitions be moved to General Provisions, 23 Ill. Adm. Code 2700.20, Definitions.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

Statutory eligibility criteria that previously may have been included in various definitions, have been moved to the Applicant Eligibility Section of the proposed rules. Further, in response to a recommendation from JCAR staff, ISAC has chosen to discontinue the practice of capitalizing defined terms within the text of the rules.

ISAC anticipates that the proposed changes will make the rules more understandable for students, especially those who apply for and/or receive financial assistance pursuant to more than one of ISACs scholarship, grant or loan programs. This proposed standardization is also expected to simplify program administration and, as a consequence, facilitate institutional efforts to remain in compliance with ISAC rules. Finally, standardizing the rules is a key component of ISACs continuing efforts to integrate program systems and procedures, and as a result, reduce the cost and complexity of program administration.

Due to the number of formatting changes involved, the previous Part is being repealed and entirely new rules are being proposed.

In contrast to the existing rules and to facilitate equitable payment of the appropriated funds to all participating institutions, payment claim deadline dates have been included in the proposed Section on Institutional Procedures.

6) Will this proposed amendment replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No. Please note that ISAC has proposed a repealer of the existing rules for this program in this issue of the *Illinois Register* and concurrently is proposing rules which implement the new and improved "re-engineered" codification scheme for all of this agency's programs.

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

Ms. Raquel G. Martinez
Compliance Counsel
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
(847)948-8500
email: rmartine@isc016rl.state.il.us

12) Initial Regulatory Flexibility Analysis: This rulemaking does not affect small businesses.

13) Regulatory Agenda on which this rulemaking was summarized: January 1997

The full text of the proposed rules begin on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2770

STUDENT TO STUDENT (STS) PROGRAM OF MATCHING GRANTS

Section
2770.10 Summary and Purpose
2770.20 Eligibility
2770.30 Program Procedures
2770.40 Institutional Procedures

AUTHORITY: Implementing Section 65 and authorized by Section 20(f) of the Higher Education Student Assistant Act [110 ILCS 947/65 and 20(f)].

SOURCE: Adopted at 4 Ill. Reg. 6, p. 221, effective January 30, 1980; codified at 7 Ill. Reg. 9925; transferred from Chapter IX, 23 Ill. Adm. Code 1770 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2770 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17869; amended at 16 Ill. Reg. 11329, effective July 1, 1992; amended at 17 Ill. Reg. 10632, effective July 1, 1993; amended at 18 Ill. Reg. 10354, effective July 1, 1994; amended at 20 Ill. Reg. 9260, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. _____, effective _____.

Section 2770.10 Summary and Purpose

- a) Student to Student is a program of monetary awards available to undergraduates at state-supported colleges and universities through voluntary contributions from students and matching grants from the State.
- b) This Part establishes rules that govern the Student to Student (STS) Program of Matching Grants. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2770.20 Eligibility

- a) To be considered for a Student to Student matching grant, a student shall be enrolled at a participating Illinois public university or a participating Illinois public community college as established and defined by the Public Community Colleges Act.
- b) A student must demonstrate need by some nationally recognized need analysis system.

Section 2770.30 Program Procedures

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED RULES

- a) An eligible program is an organized, need-based monetary award (gift assistance) program for undergraduate students at an Illinois college or public university. The funds for those programs must be derived from voluntary contributions raised by students from students of that college or university according to a plan developed and approved by the students and consistent with college or university policies.
- b) Voluntary contributions can be obtained from graduate students; the assistance program, however, can aid only undergraduates. A portion of the total contribution can be used to aid graduate students. Funds set aside for graduate students will not be matched by ISAC.
- c) Students shall approve the plan for raising voluntary contributions by a majority of those voting in a campus-wide referendum.
- d) The contributions, to be eligible for matching funds, must be voluntary (as contrasted to a nonrefundable fee or charge). Only those voluntary contributions made by enrolled students of the college or university are eligible for matching. If any fund-raising activity yields contributions from other individuals or organizations, the voluntary contributions by enrolled students must be clearly identifiable.
- e) Particular care must be employed in implementing contribution plans that generate contributions from nonstudents. The law leaves no latitude in this regard. Special cash receipt systems must be used to make certain that student contributions are clearly identifiable.
- f) No eligible contribution can exceed \$9 per academic year.
- g) The \$1,000 annual limit on an SPS award shall be applicable to all terms, including the summer term.
- h) SPS funds can be used for undergraduates who are otherwise eligible for an ISAC Monetary Award grant but have completed their 10 semesters or 15 quarters of eligibility.

Section 2770.40 Institutional Procedures

- a) Each institution desiring to participate in this program shall inform ISAC, annually in writing, by the deadline specified by ISAC.
- b) A claim for matching funds may be submitted to ISAC by dates specified in subsection (d) of this Section. The initial claim shall include:
 - 1) the amount of the claim;
 - 2) how general student approval was obtained;
 - 3) how funds were collected;
 - 4) the steps employed to ensure that student contributions were voluntary; and
 - 5) documentation that the claim includes only voluntary contributions by enrolled students.
- c) A supplementary claim can be filed after a filing date for the purpose of adjusting a regular claim filed earlier.
- d) Institutions shall submit a payment request to ISAC based on eligible match amounts. The deadlines for submission of complete payment requests shall be October 15 for summer terms; February 15 for first

ILLINOIS STUDENT ASSISTANCE COMMISSION

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- semester/quarter; April 15 for second quarter; and June 15 for second semester/third quarter. All claims, including supplemental claims, must be submitted no later than August 1. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending August 31. STS matching funds are paid by ISAC directly to the institution.
- e) The reimbursement to institutions for Student to Student matching funds is contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims in full, claims will be prorated. Claims will be considered for payment in the following order:
 - 1) summer term claims received by October 15;
 - 2) first semester and first quarter claims received by February 15;
 - 3) second quarter claims received by April 15; and
 - 4) second semester and third quarter claims received by June 15.
- f) Each participating college or university shall submit to ISAC an annual report, no later than August 15 following the award year, of the activities, operations and results of its SPS grant program. ISAC shall forward a copy of such report to the Illinois Board of Higher Education.
- g) Matching funds must be expended by the end of the academic year following the year in which the funds are requested.

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Fairs Operating Under the Agricultural Fair Act2) Code Citation: 8 Ill. Adm. Code 2603) Section Numbers: Adopted Action:

260.5 Amended
 260.10 Amended
 260.15 Amended
 260.30 Amended
 260.35 Amended
 260.40 Amended
 260.45 Amended
 260.50 Amended
 260.55 Amended
 260.60 Amended
 260.65 Amended
 260.70 Amended
 260.75 Repealed
 260.80 Amended
 260.85 Amended
 260.95 Amended
 260.100 Amended
 260.110 Amended
 260.117 Amended
 260.207 New Section
 260.210 Amended
 260.215 Repealed
 260.220 Amended
 260.305 Amended
 260.310 Amended
 260.415 Amended
 260.515 Amended
 260.525 Amended
 260.540 New Section

4) Statutory Authority: Agricultural Fair Act [30 ILCS 120]5) Effective Date of Rulemaking: January 29, 19976) Does this rulemaking contain an automatic repeal date? No7) Does this rulemaking contain incorporations by reference? No8) Date Filed in Agency's Principal Office: January 30, 19979) Notice of Proposal Published in Illinois Register: November 8, 1996, 20 Ill. Reg. 14298

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

10) Has JCAR issued a Statement of Objections to these rules? No

11) Difference(s) between proposal and final version: Nonsubstantive corrections have been made. In Section 260.55(a)(2), Class S and Class T were changed to Department S and Department T and in Department R the words "and races" were deleted. In Section 260.55(a)(3), the numbering system for the classes in the premium book will continue to be numbered consecutively throughout the entire book with the flexibility to leave blank numbers to allow for future expansion of classes or breeds. In Section 260.95(a), Junior Shows are eligible for State Aid only if open to boys and girls who are between 8 and 18 years of age as of January 1 of the year the fair is held. Section 260.100(e)(14)(A) was clarified to read "Number of animals or articles entered." Section 260.210(f) was clarified by quoting the actual language from the statute.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? No

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: Exhibitors' social security numbers are required for receipt of premiums. Premium checks can be mailed when they have been properly signed for. Fairs are allowed to set own monetary amount spent on trophies. Fair associations have more flexibility in setting entry fees. Geographical groupings for fairs other than county and world are allowed.

If recommended by the county fair's veterinarian and requested by fair management, early dismissal (prior to three day requirement) of livestock may be granted by the Bureau of County Fairs and Horse Racing (Bureau) for the following reasons: disease outbreak, severe hot weather, or other existing conditions which may result in the death of livestock. The Bureau may also grant early dismissal of livestock and other exhibits upon recommendation of fair management in the case where facilities have been lost due to fire, wind or heavy rain damage to tents and barns, or loss of electrical power, or if facilities cannot accommodate livestock due to space limitations.

Categories are changed in several departments in Section 260.55. Fairs are allowed to follow United States Trotting Association or National Jockey Club requirements for entry into horse races. Fairs are allowed to interpret more broadly what qualifies as Light Horse and Western Horse categories. Fairs are allowed to use current classifications as defined by breed organizations when determining classes for livestock shows. Registration papers are required for all purebred livestock. Age requirement is defined in Section 260.95. Educational exhibits are added

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

as a class in Junior Shows.

Fairs are allowed to supply information required for state reports by computer printout or other electronic data transfer system is approved by the Bureau. Language defining use of pro rata monies to match language in Act is changed. Fairs are required to submit a Declaration of Intent for use of rehabilitation monies to provide quicker, more efficient turn around of these monies as they become available. The initial purchase or upgrade of computer, printer and related items if done on or after April 17, 1996 is added to the eligible list for rehabilitation fund reimbursement. The reimbursement rate is changed for rehabilitation project to match current language in the Act. Itemized bills, receipts and/or copies of cancelled checks for rehabilitation projects are required to be submitted by June 15 in the fiscal year for which the projects are to be reimbursed. The Major Building Projects sections is being repealed. A current copy of lease of fairgrounds is required as part of the Declaration of Intent filed by Fairs Operating Under the Fair and Exposition Fund.

A section is added which explains administrative hearings, contested cases, petitions and administrative procedures.

16) Information and questions regarding these adopted amendments shall be directed to:

Debbie Wakefield
Illinois Department of Agriculture
State Fairgrounds
Springfield, IL 62794-9281
217/785-5713
Facsimile: 217/785-4505

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

TITLE 8: AGRICULTURE AND ANIMALS
CHAPTER I: DEPARTMENT OF AGRICULTURE
SUBCHAPTER j: FAIRS

PART 260

FAIRS OPERATING UNDER THE AGRICULTURAL FAIR ACT

SUBPART A: FAIRS OPERATING UNDER THE
AGRICULTURAL PREMIUM FUND

Section	
260.5	Definitions
260.10	Appropriations
260.15	Declaration of Intent
260.20	State Aid Payable on the Authorized Bases
260.25	Denial of State Aid Claim (Repealed)
260.30	Premiums and Receipts for Premiums Paid
260.35	Stall or Pen Fees
260.40	Entry Fees
260.45	County Fair Organization and Operation
260.50	Exhibits and Livestock; Presence on the Fairgrounds and Early Release Procedure
260.55	Premium Book
260.60	Horse Racing -- Harness and Running
260.65	Heavy Horses
260.70	Light Horses and Western Horses
260.75	Western Horse Shows (Repealed)
260.80	Livestock Classification
260.85	Registration Papers (Repealed)
260.90	Inspections and Inspectors Reports (Repealed)
260.95	Junior Shows
260.100	A State Aid Report
260.105	Growth Incentive Program
260.110	Pro Rata (Grant) Payments and Justification
260.115	Petitioning for Base Adjustments (Repealed)
260.117	Administrative Rules (Formal Administrative Hearings, Contested Cases, Petitions, and Administrative Procedures)

SUBPART B: FAIRS

PARTICIPATING IN THE REHABILITATION FUND

Section	
260.200	Appropriation
260.205	Ownership of Grounds
260.207	Rehabilitation Declaration of Intent
260.210	Rehabilitation Claims
260.215	Major Building Projects (Repealed)
260.220	A Rehabilitation Report

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

260.225 Pro Rata Payments and Justification

SUBPART C: PROCEDURES FOR PARTICIPATION
IN THE 4-H FUND

Section

260.300 Appropriation and Eligibility

260.305 A 4-H Claim Report

260.310 Pro Rata Payment and Justification

SUBPART D: PROCEDURES FOR PARTICIPATION
IN THE VOCATIONAL AGRICULTURE FUND

Section

260.400 Appropriation

260.405 Eligibility for Premiums

260.410 List of Premiums Sent to Bureau

260.415 Financial Statement

260.420 Pro Rata Payments

260.425 Fiscal Accounting (Repealed)

SUBPART E: FAIRS OPERATING UNDER THE
FAIR AND EXPOSITION FUND

Section

260.500 Appropriation (Repealed)

260.505 Eligibility

260.510 Ownership or Leasing of Grounds

260.515 Declaration of Intention

260.520 Transfer of Funds

260.525 Distribution of Funds, Declaration of Intention, Penal Bond, and Audit

260.530 Expenditure of Funds

260.535 Accumulation of Funds for Major Building Projects

260.540 Administrative Rules (Formal Administrative Hearings, Contested Cases, Petition, and Administrative Procedures)

AUTHORITY: Implementing and authorized by the Agricultural Fair Act [30 ILCS 120].

SOURCE: Rules and Regulations Governing Fairs Operating Under The Agricultural Fair Act, filed December 6, 1977, effective January 1, 1978; codified at 5 Ill. Reg. 10529; amended at 6 Ill. Reg. 4109, effective April 6, 1982; amended at 9 Ill. Reg. 3233, effective March 1, 1985; amended at 10 Ill. Reg. 7654, effective April 28, 1986; amended at 11 Ill. Reg. 10175, effective May 15, 1987; amended at 21 Ill. Reg. 2139, effective JAN 23 1997.

SUBPART A: FAIRS OPERATING UNDER THE

DEPARTMENT OF AGRICULTURE

NOTICE OF ADOPTED AMENDMENTS

AGRICULTURAL PREMIUM FUND

Section 260.5 Definitions

"Act" means the Agricultural Fair Act [30 ILCS 120] ~~{fili--Rev--Stat-19857-ch1-857-part-651-et-seq-}~~.

"Bureau" means the Bureau of County Fairs and Horse Racing, Department of Agriculture, ~~Administration-Building~~, State Fairgrounds, P.O. Box 19281, Springfield, Illinois 62794-9281 62796. The telephone number for the Bureau is 217/782-7411.

"Class" is a group, set or kind of animal or exhibit which shares common attributes (e.g., Herefords, Belgians, Dorset, Hamburg, championship, milk and cream, Duroc, barrows, corn, apples, arrangement arrangement, clothing, and ceramics).

"Department" means a general grouping of animal species or general categories of exhibits. Departments are listed in Section 260.55(a)(2).

"Premium number" means the number assigned to the class or the event.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 23 1997.)

Section 260.10 Appropriations

a) Eligibility of fair associations or agricultural societies to participate in appropriations from the Agricultural Premium Fund shall be as set forth in Sections 3, 5 and 7 of the Act. Any newly organized fair association or agricultural society must receive an appropriation for their first year's fair as set forth in Section 6 of the Act, and in subsequent years the Department of Agriculture shall include the appropriation for that fair as part of its Department's annual budget.

b) Appropriations made to the Department of Agriculture for disbursement to fair associations or agricultural societies shall not be used to pay for personnel, premiums and expenses of acts which are primarily for the entertainment of persons (e.g., grandstand shows, variety acts, bands, clowns, queen contests, showmanship events, machinery shows, demolition derbies, parades, balloon races, auto races, motorcycle races, human races, baton twirling, bocce ball, and amateur contests), except for those exhibits and events relating to agriculture as identified in Section 9 of the Act. 4-H Club fairs and exhibitions receive an appropriation in accordance with Section 14 of the Act and, therefore, 4-H Club classes do not qualify for

DEPARTMENT OF AGRICULTURE

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reimbursement of State Aid for premiums paid.

- c) *Appropriations shall not be used for salaries of officers of the fair or for personnel hired or contracted for by the fair officers* (Sections 9 and 22 of the Agricultural Fair Act, 30 ILCS 120/9 and 22 ~~Ill.-Rev.-Stat.-1985, ch.-85, pars.-659-and-672).~~

- d) Contributions, such as money, ribbons, trophies, rosettes, blankets, or wreaths, made by and/or expenses incurred by persons or organizations sponsoring events or classes, other than the fair association or agricultural society, are not eligible for State Aid.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 29 1987)

Section 260.15 Declaration of Intention

- a) On or before December 31 of the year preceding the year in which a fair association or agricultural society will participate in the Agricultural Premium Fund appropriation, the fair association or agricultural society shall file a Declaration of Intention with the Bureau. The Bureau shall mail Declaration of Intention forms to each fair association or agricultural society that participated in the previous year's appropriation and to any newly organized fair that receives an appropriation in accordance with Section 6 of the Act. Failure to receive this form shall not relieve the fair association or agricultural society from filing the Declaration of Intention.

- b) The following information shall be submitted on the Declaration of Intention:

- 1) Names and addresses of the fair's officers.
- 2) The location of the fair.
- 3) The dates of exhibition.
- 4) The approximate amount of premiums to be offered in each department and the maximum amount of premiums to be offered by the fair.
- 5) Estimated costs of trophies, ribbons and rosettes, including engraving, for those classes that are eligible for State Aid in accordance with Section 9 of the Act.
- 6) Name, address and telephone number of the person who is responsible for filing the State Aid report if this person is other than the secretary of the fair association or agricultural society.
- 7) Which Division (Division I or Division II) shall be used for the 100% reimbursement of the first \$2,000. This reimbursement may be divided on a 50/50 basis or any combination thereof between the two divisions. If this information is omitted, the 100% reimbursement of the first \$2,000 shall be taken in Division I.
- 8) Signatures of the officers (i.e., President, Secretary and Treasurer) of the fair association or agricultural society.

- c) The Declaration of Intention shall be notarized by a notary public.

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- d) The secretary or the designated contact person for the fair shall notify the Bureau in writing when changes occur in the fair's officers and/or the person designated as the contact person.

- e) Once the Declaration of Intention is filed with the Bureau, the dates of exhibition may be changed only due to an emergency or because the wrong dates were submitted. Before the fair association or agricultural society may change the dates of exhibition or advertise such change, the fair association or agricultural society must notify the Bureau in writing and request the dates of the fair be changed, giving the new dates and the reason for such change. The Bureau shall approve the change in the dates when an emergency exists (e.g., the fair cannot get a carnival, events conflict with a neighboring fair or the State Fair, rehabilitation or repair projects are not completed, or severe weather caused destruction to the facilities) or if the change in the dates will avoid conflict with neighboring fairs or the State Fair.

- f) Before any change is made in the amount of premiums offered in the fair's program from that amount as originally submitted on the Declaration of Intention, the fair association or agricultural society shall request approval of such change in writing from the Bureau. Within 10 days after of the receipt of the fair's request, the Bureau shall notify the fair secretary or designated contact ~~contract~~ person of the Bureau's decision on whether to permit a change in the amount of premiums offered. The Bureau shall approve changes in the amount of premiums offered when the number of participants in or lack of participation in classes indicates such change is needed or when costs, such as for trophies, ribbons, rosettes, or engraving, were omitted from the Declaration of Intention.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 29 1987)

Section 260.30 Premiums and Receipts for Premiums Paid

- a) All premiums shall be paid by the fair association or agricultural society to the winners and persons who placed in each class prior to the filing of the State Aid report. A receipt ~~receipts~~ showing the amount of each premium paid and the exhibitor's social security number shall be signed by the exhibitor who won or placed in the class and was paid the premium ~~premiums~~. If the exhibitor is unable to personally pick up the premium money, the person picking up or mailing the check money shall sign the exhibitor's name and address and write "by" and his or her name and address. Falsifying a receipt by someone else signing the exhibitor's name, except as provided above, or obtaining signed receipts before premiums are paid shall result in denial of State Aid for the amount of that premium.

- b) All receipts for premiums paid shall accompany the State Aid report in support of claims. If, in a few cases, the secretary or the person

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designated to file the State Aid report is unable to obtain a signed receipt, the cancelled check or a photostatic copy of the cancelled check shall be attached to the unsigned receipt. The cancelled check (or copy of the cancelled check) shall remain as a part of the State Aid report and shall not be returned to the fair association or agricultural society. The original of the receipt shall accompany the State Aid report, a copy of the receipt shall be given to the exhibitor, and a copy of the receipt shall be retained for two years by the fair association or agricultural society.

- c) Each exhibitor's page of the receipt shall be totaled separately. The receipts shall be kept separated according to each department.
- d) State Aid will be paid on a maximum of two premiums awarded to the same exhibitor under the same premium number. Where only one exhibit is entered in a class, the exhibit shall be declared first place and be paid the first place premium. Except for stake races in Division II, only one premium shall be eligible for reimbursement of State Aid in each sweepstake or champion class. State Aid shall be paid on a maximum of ten (10) placings under any one premium number. Premiums awarded under the Danish system (where premiums are based upon the number of entrants) or group system of placing are not eligible for State Aid. The premium amounts must be on a graduated scale.
- e) The costs of ribbons, rosettes and trophies, including engraving, are eligible for State Aid when they are awarded in classes that are eligible for State Aid. An itemized invoice ~~showing only the items as before stated that are eligible for State Aid shall accompany the State Aid report.~~ Invoices for trophies, ribbons, or rosettes must show the business from which they were purchased. Where the ribbon, rosette, trophy and/or the engraving on the trophy is paid by an organization or person sponsoring the event, these costs are not eligible for State Aid. ~~the maximum amount that is eligible for State Aid reimbursement for each trophy is \$75.00, including the cost of engraving; if the costs exceed the maximum amount, a deduction shall be made from the claim for those costs that exceed the maximum amount; such as entry tags, tickets, advertising, and advertising supplies are not eligible for State Aid, but are eligible for reimbursement under Pro-Rata (Section 260-110).~~

f) In order to qualify for premiums, entries must show in their proper classes (i.e., according to age, sex, breed, or other qualifications as established for the exhibit or event by the fair association or agricultural society; five-gaited horses cannot show as three-gaited, and polled herefords cannot show in the horned hereford class). Combining of classes, such as the polled herefords with the horned herefords, will disqualify such combined classes for State Aid, except where the classes were advertised as combined classes in the premium book.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

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Section 260.35 Stall or Pen Fees

Stall or pen fees shall be set by the fair association or agricultural society. Stall or pen fees must be published in the premium book (see Section 260.55) and once they are published they cannot be changed. ~~the minimum number of days that is to be included in the stall or pen fee will be three (3) days.~~ The fair association or agricultural society may set stall or pen fees as one sum which will cover all the days of the fair. The maximum stall or pen fee that may be charged shall be set by the ~~by a~~ fair association or agricultural society ~~is \$10 per day.~~

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.40 Entry Fees

- a) An entry fee shall not be more than 10% of the purse offered under one premium number, nor more than 75% of the smallest premium offered. Where either percentage is violated, the amount of the excess entry fee that was charged shall be deducted from the amount of premiums paid in that particular class when determining State Aid reimbursement. ~~Entry fees for overnight horse races shall not exceed 3% of the advertised purse. The maximum entry fee that can be charged by a fair association or agricultural society shall not exceed \$10 for agricultural exhibits or livestock shows, \$25 for tractor-pull classes and \$25 for equine classes including horse racing.~~
- b) The amount of the entry fee charged must be printed in the premium book for each department and shall be shown separately from stall or pen fees that are charged by the fair association or agricultural society. The entry fee shall be for each class entered and not for each animal.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.45 County Fair Organization and Operation

- a) A fair association or agricultural society may be open to the world or confined to the county or an adjacent county or counties contiguous thereto or other defined grouping of counties. ~~Open and confined classes are acceptable in the equine contests, tractor-pull classes, the cost of races, and individual departments which merit special dispensation (five-gaited horses, that do not have sufficient exhibitors to hold the classes shall be opened to the world).~~ The Department of Agriculture shall grant written permission upon receipt of written request for any exceptions to this rule, unless the premium books have been printed.
- b) All events and exhibits in order to be eligible for State Aid must be

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held on the fairgrounds during the advertised dates of the fair.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1944)

Section 260.50 Exhibits and Livestock; Presence on the Fairgrounds and Early Release Procedure

a) Exhibits are required to be in place and livestock is required to be on the fairgrounds for a minimum of three days, except for 4-H Club shows, Junior Shows, and one-day shows, such as Western Horse show, Steer show or Barrow show. The number of days the exhibit or livestock must be on the fairgrounds shall be indicated in the Premium Book (see Section 260.55). If recommended by the county fair's veterinarian and requested by fair management, early dismissal of livestock may be granted by the Bureau for the following reasons: disease outbreak, severe hot weather, or other existing conditions which may result in the death of livestock. The Bureau may also grant early dismissal of livestock and other exhibits upon recommendation of fair management in the case where facilities have been lost due to fire, wind or heavy rain damage to tents and barns, or loss of electrical power, or if facilities cannot accommodate livestock due to space limitations if the exhibit or livestock will not be required to be on the fairgrounds three days. Early dismissal of livestock or exhibits shall be granted by the Bureau upon request of the fair management when there is need for additional stalls to accommodate livestock arriving at the fairgrounds, disease outbreak has been reported, severe hot weather conditions are present which may result in deaths of livestock, facilities are lost to fire, wind or heavy rain damage to tents and barns, or loss of electrical power, or in order for the exhibitors to participate in other county or State fairs.

b) Junior shows shall comply with Section 260.95(c) 260-95(d) regarding the presence of livestock and exhibits on the fairgrounds.

c) 4-H Club shows shall comply with Section 260.300 regarding the presence of livestock and exhibits on the fairgrounds.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1944)

Section 260.55 Premium Book

a) A premium book showing the classes of exhibits and the premiums offered for each class must be made available by the fair association or agricultural society to the public upon request and a copy sent to the Bureau at least 10 days prior to the opening day of the fair and another copy shall accompany the State Aid Report. The premium book shall contain the following information:

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- 1) The total amount of premiums that are offered in each department.
- 2) Each department shall be identified as follows:

Department A - Beef Cattle
 Department B - Dairy Cattle
 Department C - Heavy Horse
 Department D - Equine Pulling Contest
 Department E - Jacks, Jennets and Mules
 Department F - Sheep ~~and Goats~~
 Department G - Swine
 Department H - Junior Department - Livestock
 Department I - Poultry, ~~and Rabbits, and Ratites~~
 Department J - Agricultural Products
 Department K - Horticulture
 Department L - Floriculture
 Department M - Fine Arts and Textiles- (Fine arts may be designated as M-1 and textiles as M-2)-
 Department N - Education and Natural History
 Department O - Dairy, Apiary and Culinary
 Department P - Junior Department (other than Livestock)
 Department Q - Tractor Pulls and Pick-up Trucks ~~and~~
 Miscellaneous:

Department R - Light Horse and Western Department - Equine Events Races

Department Class S - Harness Races

Department Class T - Running Races

Department U - Goats and Llamas

Department V - Miscellaneous

Department Z - Rodeos

- 3) The class number. The first class in the premium book shall be numbered 1 and the remaining classes numbered consecutively throughout the entire book. Numbers may be left blank to allow for future expansion of classes or breeds.

- 4) The entry requirements and the graduated premiums offered for each class.

- 5) The maximum number of days that the exhibits or livestock must remain on the fairgrounds.

- 6) The time and date for the release of livestock and exhibits.

- 7) Stall or pen rent charged.

- 8) Entry fee charged.

- b) ~~All fairs will not be considered a part of a premium book. Therefore all departments and classes must be published in the premium book to be eligible for State Aid.~~

- c) Should it be necessary to make corrections in the premium book after it is printed, these corrections must be made available to the public and must be indicated on the copy which accompanies the State Aid report.

- d) Department I shall include other birds that are raised in domestic production or for exhibition purposes, such as pigeons, pheasants,

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guineas, peafowl, ostrich, rheas, and emus.

- e) Any classes ~~such as tractor pulls or other agricultural events~~, that do not come under Departments A through Z as listed in Section 260.55(a)(2) shall be listed under Department V 0.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.60 Horse Racing -- Harness and Running

- a) In order to qualify for State Aid, harness horse races shall be confined to standardbred horses; running horse races shall be confined to thoroughbred and quarter horses. Quarter horse races are reported under Department-Equine Races, Department Class T, on the State Aid report.

- b) Both ~~harness and running race entries on overnight events (i.e., horse runs in one day's races and stays on the fairgrounds one night)~~ must close by 10:00 A.M. ~~the day before the race will be held.~~

- b)c) Entry fees shall be as set forth in Section 260.40. Stall fees shall conform with Section 260.35.

- c)d) Contributions, such as money, blankets, ribbons, wreaths, trophies, rosettes or engraving, made by other persons or organizations (e.g., colt associations, the promoter of the races, the State Fair, or Standardbred and Thoroughbred Breeding and Racing Programs) are not eligible for State Aid. The actual amount of monies expended for horse racing by a fair association or agricultural society is eligible for State Aid reimbursement. Horse racing entry fees may be included in the amount requested for State Aid reimbursement.

- d)e) The party paid the purse shall sign the receipt ~~receipts~~ showing each purse and total purse won. The receipt ~~receipts~~ shall be submitted with the State Aid report.

- e)f) A racing program marked to indicate the placings in each race shall accompany the State Aid report.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.65 Heavy Horses

In order for an event to qualify for State Aid, heavy purebred horses (draft horses) shall be registered with a national registry association, as evidenced by a certificate of registry. It shall be the responsibility of the county fair association or agricultural society to check registration certificates. Heavy horses shall be listed in Department C on the State Aid report (see Section 260.55(a)(2)).

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

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Section 260.70 Light Horses and Western Horses

- a) Light ~~horses~~ shall ~~be confined to five-gaited horses, three-gaited Roadsters, Pine-Harness (five-gaited horses), Hunters and Dumpers, Morgans, Heavy-Harness, Shetland, Welch and Hackney Ponies of America, and Tennessee Walking Horses (five-gaited horses).~~ In order to qualify for State Aid, a purebred western or light horse in the above-listed classification shall be registered with a national registry association, as evidenced by a certificate of registry. It shall be the responsibility of the county fair association or agricultural society to check registration certificates.

- b) Light or western horses shall be listed in Department R on the State Aid report (see Section 260.55(a)(2)).

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.75 Western Horse Shows (Repealed)

- a) Western or Stock Horses showing in the following classifications were eligible for State Aid: Working-Class (Heavy and Light); Parade Classes; both single and pairs; Palomino-Class; Equitation-Class; Handy-Horse (weaving in and out); Musical-Chairs; Boot-Scramble; Saddle-Scramble; Flag-Race; Barrel-Race; Rescue-Race; one (1) class of Gait-Roping and Cutting-Horse or any other classification printed in the Premium-Book.

- b) Variations of the classifications listed in Section 260.75(a) may be made in each classification in order to complete a program (e.g., singlet, pairs, ladies, classes, men's classes and juniors).

- c) Western shows are included in the Light-Horse Department (R) on the State Aid report (see Section 260.55(a)(2)).

(Source: Repealed at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.80 Livestock Classification

- a) Unless herd, flock or group classes of livestock are defined by the fair association or agricultural society by other criteria and such criteria are published in the premium book, the fair association or agricultural society may follow the current classifications as defined by the national breed organizations. ~~the following standard classifications shall be used:~~

- 1) Cattle
 A) Graded-Herd--Bull-over-2--years-old; cow-3-years-old-and-over; heifer-2-years-old-and-under-3; heifer-1-year-old-and-under-2; heifer-calf-under-1-year-old.

- B) Yearling-Herd--Bull-and-2-heifers, 1-year-old-and-under-2-

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- 2) ~~Calf-Herd--Bull-and-2-heifers-under-1-year-old.~~
~~B) Get-of-Sire--3-animals-of-any-age-or-sex.~~
~~B) Product-of-Bam--2-animals-of-any-age-or-sex.~~
2) Heavy-Horses
~~A) Get-of-Sire--2-animals-of-any-age-or-sex.~~
~~B) Product-of-Bam--2-animals-of-any-age-or-sex.~~
~~C) Stallion-and-2-mares--any-age.~~
3) Sheep
~~A) Flock--Ram--any-age--ewe-2-years-or-over--ewe-1-year-and-under-2--ewe-under-1-year.~~
~~B) Pen--3-lambs-under-1-year.~~
~~C) Young-Flock--Yearling-ram-or-ram-lamb-and-2-yearling-ewes-or-2-ewe-lambs.~~
4) Swine
~~A) Get-of-Sire--3-animals-of-any-age-or-sex--get-of-one-sire.~~
~~B) Product-of-Bam--4-head--either-sex--under-1-year-by-one-sow.~~
~~C) Young-Herd--Boar-and-2-sows-under-2-years.~~
 b) Poultry classifications shall be limited to the popular farm varieties and raties in the area where the county fair is held in order to be eligible for State Aid as determined by the county fair association or agricultural society. Poultry classifications shall be published in the premium book.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1985)

Section 260.85 Registration Papers (Repealed)

Registration papers are required for all purebred livestock.

(Source: Old Section repealed at 9 Ill. Reg. 3233, effective March 1, 1985; new Section added at 20 Ill. Reg. 2139, effective JAN 2 1985)

Section 260.95 Junior Shows

- a) Junior Shows are eligible for State Aid only if they are open to boys and girls who are between 8 and 18 years of age as of January 1 of the year the fair is held ~~are-at-least-eight-(8)-years-old--or--in--third grade--prior-to--January--1-of-the-year-in-which-they-will-show--and they-will-not-be-twenty-(20)-years-of-age-until-after-December--31--of the-year-in-which-they-will-show.~~ The same classes which are eligible for State Aid in the open show are eligible for State Aid in the Junior Show. All animals (i.e., individual, herd or flock classes) shown in Junior Shows must be the property of the boys or girls showing them. If the same animals are shown in both the open classes and Junior Show, they shall be shown under the same exhibitor's name (for example, the father is not permitted to show an animal in the

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- open class and the son or daughter show the same animal in the Junior Show).
- b) ~~Group-showings-or-placings-in-Junior-Shows-are-not-eligible-for--State Aid.~~
- b) ~~c) A fair that is composed entirely of Junior Show classes and does not have open classes shall use the standard department classifications (e.g., Department A - Beef Cattle) as stated in Section 260.55(a)(2). However, fairs that have both Junior and open classes shall report livestock showing in the Junior Show in Department H and all other Junior Show classes, such as poultry, agricultural products, horticulture, floriculture, educational, fine arts and textiles, dairy products, apiary and culinary, shall be reported in Department P.~~
- c) ~~d) Where the county board elects to have strictly a Junior Show, livestock and exhibits must be on the fairgrounds on the opening day of the fair until the close of the fair, unless earlier release of the livestock is authorized by the Bureau. Where both a Junior Show and open show are held, livestock and exhibits entered in the Junior Show shall follow must-be-on-the-fairgrounds-the-opening-day-of-the-Junior Show-until-the-close-of-the-Junior--Show--unless--early--release--is authorized--by--the--Bureau--the--Bureau--shall--use the standards set forth in Section 260.50(a) when deciding whether-to-permit-an--earlier release-of-livestock-and-exhibits.~~
- d) ~~e) Junior Show classes must be separate and distinct classes from the open show classes and the Junior Show dates shall appear on the Declaration of Intention.~~

(Source: ~~Amended~~ at 21 Ill. Reg. 2139, effective JAN 2 1985)

Section 260.100 A State Aid Report

- a) In accordance with Section 12 of the Act, the State Aid report shall be filed in person or postmarked before October 15 of each year.
- b) The Bureau shall mail each fair association or agricultural society two (2) copies of the State Aid report form to be used in submitting the information required by Sections 10 and 12 of the Act. One copy of the report should be retained by the fair association or agricultural society for their records.
- c) Receipts for trophies, ribbons, rosettes, engraving and premiums paid as outlined in Section 260.30 shall accompany the State Aid report.
- d) The receipts for each department must be accompanied by an adding machine tabulation, tabulated in chronological order, showing the premiums paid and the total for each department. This information may be supplied by computer printout or other electronic data transfer system if approved by the Bureau.
- e) In order for the Bureau to prepare and publish a recapitulation report which can be used by a fair in evaluating its program and for planning next year's fair, as well as for the Department of Agriculture and the

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Illinois General Assembly to use to evaluate appropriation needs, the following information shall be submitted by the fair association or agricultural society on the State Aid report:

- 1) The year for which the report is being submitted.
- 2) The name of the fair association or agricultural society (exactly how the check should be made out).
- 3) The city or town where the fair was held.
- 4) County where the fair was held.
- 5) The names, titles (if applicable) and mailing address for all officers and directors of the fair association or agricultural society.
- 6) The date the fair was organized.
- 7) The date the fair association or agricultural society was incorporated, if applicable.
- 8) The number of acres in the fairgrounds and whether the fairgrounds are owned or leased. If the fairgrounds are leased, the number of years remaining under the terms of the lease and the expiration date of the lease.
- 9) The cash value of the fairgrounds and improvements.
- 10) The dates the fair was held.
- 11) Verification statement that exhibitors have been paid in full.
- 12) Estimated attendance and gate admission fees charged.
- 13) Name of carnival.
- 14) The Grand Summary shall include a breakdown of the following information for each department listed in Section 260.55(a)(2):
 - A) Number of animals or articles entered shown.
 - B) Amount of premiums offered.
 - C) Entry fees collected.
 - D) Amount of premiums paid.

- 15) Totals for the information requested in Section 260.100(e)(14) for each division and the grand total.

- 16) A financial statement for the current year showing receipts, expenditures and the total operating profit or loss. The amount of money spent for real estate and capital or permanent improvements for the current year shall also be provided.

- f) No one department or class shall be paid premiums awarded in excess of 30% of the total premiums awarded by the county fair [30 ILCS 120/9] (quoted from 1117-Rev--Stat--19837-ch--057-par--659). The grand total of Column 4 (Amount of Premiums Paid Each Department) on the Grand Summary is the amount on which the 30% is figured. The grand total of Column 4 shall not exceed the grand total as shown on the Declaration of Intention. The Bureau shall deduct from the grand total that amount in excess of the amount shown as the grand total on the Declaration of Intention.

- g) Income shown on the financial statement shall include gate admission, grandstand admission, auto parking, stall and pen fees, fees paid by concessionaires, commercial exhibits and the carnival, entry fees, estimated State Aid for the current year, estimated rehabilitation aid

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for the current year, aid from the county, if any, rental fees for the buildings and grounds for periods other than the fair, and any other income that was received by the fair but not included in the other categories mentioned. Borrowed money shall not be reported as income. Expenses of the fair shall include premiums paid, costs of grounds improvements, charges for music and attractions, judges' and assistants' fees, administrative and office payrolls, personnel expenses for gates, grandstand help, policy and parking vehicles, general and common labor payrolls, advertising expenses including the costs of the premium book, federal admission tax paid and other operating expenses, such as interest on indebtedness, that were not listed in the categories mentioned. The financial statement on file with the Department of Agriculture is subject to audit by auditors investigating Department of Agriculture accounts.

- h) The State Aid report shall be notarized by a notary. The President and the Secretary of the fair association or agricultural society shall sign the report.

- i) The State Aid report shall be personally delivered or mailed by first class, registered or express mail to the Bureau. The report should be wrapped securely and placed in the expanding folder which was sent to the fair association or agricultural society by the Bureau. A premium book shall accompany the State Aid report (see Section 260.55). This information may also be supplied by computer printout or other electronic data transfer system if approved by the Bureau.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 24 1997)

Section 260.110 Pro Rata (Grant) Payments and Justification

- a) If after State Aid and/or Growth Incentive payments have been made there remain any funds in the appropriations, pro rata (grant) payments shall be made to all fairs that are participating in the State Aid program in accordance with Section 10(c) of the Act. This payment will be made after all eligible claims are paid from the Growth Incentive Program.

- b) All fairs receiving pro rata (grant) payments are required to file with the Bureau a fiscal accounting of the expenditure of these grant monies. This accounting will be due at the same time each fair files its State Aid Report (Section 260.100(a)) of the year in which such monies were received.

- c) Pro rata (grant) monies received by a fair association or agricultural society shall only be used for:

- 1) Premiums and Awards (including that amount in excess of the grand total on the Declaration of Intention, if any, that was deducted as set forth in Section 260.100(f))

- 2) Judges' Fees

- 3) Veterinarian Fees

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- 4) Interest-Payments
 5) Utilities--such-as-telephone,-electricity,-and-water
 6) Gent-Rental
 7) Liability Insurance

3) Other expenses incurred by the fair association or agricultural society which are directly related to the operation of the fair (e.g., manure and rubbish removal, rental of garbage containers, entry tags, advertising, supplies, tickets, and printing of premium books).

- d) Pro rata (grant) monies shall not be used for rehabilitation purposes (see Subpart B of the rules of this Part).
 e) pro rata (grant) money shall not be used to reimburse expenses incurred by and/or contributions made by other persons or organizations in promoting the fair.
 f) Section 22 of the Act prohibits pro rata (grant) money from being used to pay salaries.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.117 Administrative Rules (Formal Administrative Hearings, Contested Cases, Petitions, and Administrative Procedures)

All decisions of the Department of Agriculture in implementing these rules are subject to the Illinois Administrative Procedure Act [5 ILCS 100] (Ill.-Rev. Stat.-1991--ch--127--par--1001-1-et-seq-) and the Department's rules of the Department of Agriculture pertaining to administrative hearings as promulgated thereunder (8 Ill. Adm. Code 1).

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1997)

SUBPART B: FAIRS PARTICIPATING IN THE REHABILITATION FUND

Section 260.207 Rehabilitation Declaration of Intent

- a) In order to be eligible for reimbursement for rehabilitation projects, each fair association or agricultural society must submit a Declaration of Intent for these funds to the Bureau.
 b) The following information shall be submitted on the Declaration of Intent:
 1) Signatures of the officers (i.e., President, Secretary and Treasurer) of the fair association or agricultural society.
 2) Description of equipment purchases and repairs and maintenance with projected costs.
 3) Amount projected for casualty and liability insurance (this should not include personal liability insurance).
 4) Descriptions of construction or purchase of permanent facilities

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and systems stored on the fairgrounds, including the projected costs.

- 5) Amount to be paid for labor on the grounds.
 6) Amount to be paid for interest on loans (operating loans are not eligible).
 7) Amounts to be spent and descriptions of building materials and supplies.

c) The Declaration of Intent shall be notarized by a notary public.

(Source: Added at 21 Ill. Reg. 2139, effective JAN 2 1997)

Section 260.210 Rehabilitation Claims

a) Rehabilitation claims may include the cost of both materials and labor expended for rehabilitation of the fairgrounds, its buildings, facilities and for construction projects. Maintenance and/or repair projects shall include improvements made for the purpose of restoring and/or maintaining the fairgrounds, buildings and facilities for long term uses.

b) The purchases of tractors, drags, water wagons and other equipment used to maintain or repair the track, show arenas, the grounds or buildings, and the initial purchase or upgrade of a computer, printer and related items if done on or after April 17, 1996, are eligible for rehabilitation reimbursement ~~in--an amount equal to 50% of the total price--for--such--equipment~~. The Department of Agriculture shall reimburse fair associations for equipment that is necessary for the maintenance and repair of projects, except computer equipment, that have received rehabilitation reimbursement. Any repairs to this equipment shall also be reimbursed ~~50% of the total amount of the repair costs~~. The reimbursement rate for the total of all above expenses shall be 100% of the first \$5,000 and 75% of the next \$20,000. Equipment purchased with rehabilitation funds shall remain on the fairgrounds at all times. When a fair association or agricultural society disposes of such equipment, it shall notify the Bureau in writing. If during an inspection by a Department of Agriculture inspector, this equipment is not found on the fairgrounds and notice of disposal is not on file with the Bureau, the Bureau shall send written notice that repayment is due and the fair association or agricultural society shall repay to the State Treasury within 30 days from receipt of the notice that portion of rehabilitation funds spent on the purchase of said equipment that was not found on the fairgrounds, regardless of the fiscal year in which the equipment was purchased.

c) ~~Rehabilitation--claims--for--maintenance--repairs--and--purchase--of equipment--shall--cover--expenditures--made--during--the--period--July 1 to June 15--of--the--fiscal--year--for--which--the--report--is--being--submitted--~~
 d) Premiums paid for general liability and casualty insurance are

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- eligible for rehabilitation reimbursement. Premiums for personal liability insurance are not eligible for rehabilitation reimbursement.
- d) On rehabilitation projects, a fair association or agricultural society shall adhere to the provisions of the the Illinois State Purchasing Act [30 ILCS 505] (111-Rev-Stat-1983-ch-127-par-132-1-et-seq.).
- e) Itemized bills, receipts and/or copies of cancelled checks for rehabilitation projects must be submitted by June 15 in the fiscal year for which the projects are to be reimbursed.
- f) The amount carried over shall constitute a claim for reimbursement for a subsequent period not to exceed seven years as long as funds are available [30 ILCS 120/13].

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1994)

Section 260.215 Major Building Projects (Repealed)

- a) For ~~major building projects which qualify for rehabilitation reimbursement for a period longer than one year, the fair association or agricultural society shall submit with the rehabilitation report a copy of blueprints, contracts, job specifications and lending institution notes relating to the major building project. The Bureau shall approve major rehabilitation projects based upon the standards used for approving rehabilitation claims (Section 260.210) and as stated in Subpart B.~~
- b) ~~Major building projects in excess of \$25,000 per year shall be reimbursed in accordance with the provisions of Section 13 of the Act.~~
- c) ~~Major building projects include construction of new buildings and facilities, new construction and rehabilitation of existing buildings and facilities, or entire rehabilitation of existing buildings, grounds, and facilities.~~

(Source: Repealed at 21 Ill. Reg. 2139, effective JAN 2 1994)

Section 260.220 A Rehabilitation Report

- a) A fair association or agricultural society shall file with the Bureau by June 15 of each year a rehabilitation report on forms furnished by the Bureau. If there is any question as to whether certain expenditures are eligible for reimbursement of rehabilitation monies in accordance with Section 13 of the Act, the fair association or agricultural society may contact the Bureau for approval of the claim prior to actually committing funds. A copy of the rehabilitation report should be retained by the fair association or agricultural society for its files.
- b) The following information shall be submitted on the rehabilitation

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report:

- 1) The year for which the report is submitted.
- 2) The name and address of the fair association or agricultural society.
- 3) The county where the fair was held.
- 4) The date the fair association or agricultural society was organized and the date of incorporation, if applicable.
- 5) The current value of real estate and improvements made to the fairgrounds.
- 6) The name, title and address of the officers and directors of the fair.
- 7) The number of acres in the fairgrounds and whether the fairgrounds are owned or leased by the fair association or agricultural society.
- 8) If the fairgrounds are leased, the number of years remaining under the terms of the lease and the date of expiration of the lease.
- 9) Each project shall be listed separately on the report along with the cost of the project.
- c) ~~If the rehabilitation report includes expenditures for major building projects, the total amount of the major building project, the number of years that expenditure will be eligible for rehabilitation reimbursement in accordance with Section 13 of the Act, the year the project began, and the number of years that have elapsed since it was approved, shall be reported on the rehabilitation report.~~
- c) ~~Itemized bills as evidence of expenditures shall accompany the rehabilitation report. Receipts and/or copies of cancelled checks for cancelled checks indicating that payments of bills have been made by the fair association or agricultural society issued by the persons who performed the services or from whom the equipment was purchased shall also accompany the rehabilitation report. The itemized bills and receipts of payments submitted with the rehabilitation report will not be returned as they are a permanent part of the rehabilitation report.~~
- d) ~~The rehabilitation report shall be signed by the president and secretary of the fair association or agricultural society and shall be notarized. The rehabilitation report shall be personally delivered or mailed by first class, express or registered mail to the Bureau by June 15. This information may also be supplied by computer printout or other electronic data transfer system if approved by the Bureau.~~

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1994)

SUBPART C: PROCEDURES FOR PARTICIPATION IN THE 4-H FUND

Section 260.305 A 4-H Claim Report

- a) The County Extension Advisor, Agriculture, shall certify to

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the State "4-H" Club officer under oath, on a blank form furnished by the Department, the amount paid out in premiums, ~~by department~~ at the show or shows for the current year, and the name of the officer or organization making the payments and the number of members enrolled for the current year. This certification shall be accompanied by itemized receipts as evidence of the certified amounts, and it must be filed with the Department before December 31 of each year ~~amount-of-winnings-of-each-participant~~ [30 ILCS 120/14] ~~(voted-from-ill---~~ Stat. ~~---1983,--ch.---85,--par--664).~~ If the County Extension Advisor Adviser, Agriculture, is unavailable, an authorized representative of the Cooperative Extension Service may sign the 4-H claim report. A copy of the premium book or premium list shall accompany the 4-H claim report.

- b) This report must be filed with the Bureau before December 31st of each year.
- c) The 4-H claim report shall also include a fiscal accounting of the expenditure of pro rata money, if any, that was received by the 4-H Club during that calendar year. Justification of the expenditure of pro rata funds shall be based upon expenses incurred for the show that was held in the year in which the pro rata money was actually received by the 4-H Club.
- d) Payment of eligible claims shall be mailed to the organization named on the 4-H claim report, in care of the person designated on the report as the Extension Advisor Adviser, Agriculture.

(Source: Amended at 21 Ill. Reg. 2139 = , effective JAN 2 3 1999)

Section 260.310 Pro Rata Payment and Justification

- a) If there remains any amount in the appropriation for 4-H Clubs ~~4-Clubs~~ accordance with Section 14 of the Act.
- b) A fiscal accounting of pro rata monies received by the 4-H Club shall be made in accordance with Section 260.305. Pro rata payments may be used only for the following purposes:
- 1) Premiums paid in excess of the per member amount as established in the annual appropriation bill for the Department of Agriculture in the fiscal year for which the report is being submitted. Contributions made by other persons or organizations sponsoring events or classes are not eligible for pro rata reimbursement.
 - 2) Ribbons, rosettes, trophies, engraving, and entry forms for 4-H classes.
 - 3) Judges' fees in excess of the \$400 allotted per county.
 - 4) Printing of Premium Books.
 - 5) Additional secretarial help needed to help with the show (salaries and expenses of county extension personnel do not

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qualify for pro rata reimbursement).

6) Rental of facilities and rental and/or purchase of equipment for conducting 4-H shows or exhibitions, such as buildings, tents, and equipment needed for the show.

- c) Any pro rata money not utilized by the 4-H Club or spent for purposes other than as set forth in Section 260.310(b) shall be reimbursed to the Department of Agriculture within 15 days from the time written notice is received from the Bureau indicating the amount of reimbursement due.

(Source: Amended at 21 Ill. Reg. 2139 = , effective JAN 2 3 1999)

SUBPART D: PROCEDURES FOR PARTICIPATION
IN THE VOCATIONAL AGRICULTURE FUND

Section 260.415 Financial Statement

- a) Within 30 days after the close of the fair, a financial statement showing all premiums awarded to vocational agricultural students at that fair shall be forwarded to the Bureau by the State Board of Education [30 ILCS 120/16] ~~(Ill. Rev. Stat. 1983, ch. 85, par. 666).~~
- b) The report shall be completed in triplicate on forms furnished by the Bureau. One copy of the report is for the vocational agricultural section fair manager and another copy is for the State Board of Education. The original of the report shall be sent to the Bureau. The report shall include the following information:

- 1) The section number of the fair.
- 2) The dates the fair was held.
- 3) The location of the fair.
- 4) The total awards that were distributed.
- 5) The name and address of the school.
- 6) The agricultural occupations teacher's name, title, and address should be listed under the name of the school.
- 7) Student's name and address (listed only once) with a listing of winnings for that student and a total of all amounts won. All the students who have won premiums from that school should be listed under the name of their agricultural occupations teacher.
- c) As vouchers are prepared directly from this financial statement, a blank space should be left between each student's total winnings in order to set them apart.
- d) The financial statement shall be signed by the vocational agricultural section fair manager and notarized by a notary public.

(Source: Amended at 21 Ill. Reg. 2139 = , effective JAN 2 3 1999)

SUBPART E: FAIRS OPERATING UNDER THE

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FAIR AND EXPOSITION FUND

Section 260.515 Declaration of Intention

- a) On or prior to December 31 of the year previous to participating in the Fair and Exposition Fund, the fair shall file with the Bureau on forms furnished by the Bureau a Declaration of Intention. The following information shall be submitted on and/or accompany the Declaration of Intention:

- 1) Information on the fair's organization.
 - 2) Dates of the fair.
 - 3) Location of the fair.
 - 4) The amount of money requested from the Fair and Exposition Fund for the purposes listed in Section 20 of the Act.
 - 5) Number of acres in the fairgrounds and whether they are owned or leased. If the fairgrounds are leased, the number of years remaining under the terms of the lease and date of expiration of the lease.
 - 6) Whether an agricultural fair will be held in connection with the fair and exposition fair.
 - 7) The names and addresses of the treasurer and secretary of the fair and exposition fair.
 - 8) A current copy of the lease of fairgrounds, unless it is owned.
- b) The Declaration of Intention shall be signed by the secretary of the fair and exposition fair and notarized by a notary public.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1977)

Section 260.525 Distribution of Funds, Declaration of Intention, Penal Bond, and Audit

- a) As soon after January 1st as is practical practicable and after the receipt of the Declaration of Intention containing all the requested information, distribution of Fair and Exposition funds will be made by the Bureau.
- b) A detailed schedule, plans and specifications, as applicable, shall be submitted with the Declaration of Intention in accordance with Section 21 of the Act.
- c) Each participant in Fair and Exposition funds shall file a penal bond in accordance with Section 18 of the Act at the same time as it files a Declaration of Intention. The penal bond shall show the effective date, the termination date, and contain a clause that upon cancellation of the bond, the Bureau shall be notified in writing at least 30 days prior to the date of cancellation by the company issuing a penal bond. In the case where the fair and exposition participant requests the bond be cancelled, the participant shall also notify the Department of Agriculture of such request at the same time as it

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NOTICES THE COMPANY THAT ISSUED THE BOND.

- d) Not later than January 15 after the calendar year that the fair participated in the Fair and Exposition fund the fair shall cause a full and complete audit to be made of its books and records by a certified public accountant or a firm of certified public accountants. The audit shall show the itemized expenditures made of the funds received from the Fair and Exposition Fund, as well as revenue derived the expenditures made by the fair in accordance with Section 21 of the Act. The audit shall be filed with the Bureau prior to the release of any further funds to the Fair and Exposition participant. ~~It and--it~~ shall be accompanied by a receipt showing the amount of each premium paid and the exhibitor's social security number, and the receipt shall be signed by the exhibitor or his agent ~~signed-and-itemized-receipts~~. The maximum claim that any fair and exposition participant may receive from the Fair and Exposition Fund shall be determined in accordance with Section 18 of the Act.

(Source: Amended at 21 Ill. Reg. 2139, effective JAN 2 1977)

Section 260.540 Administrative Rules (Formal Administrative Hearings, Contested Cases, Petitions, and Administrative Procedures)

All decisions of the Department of Agriculture in implementing these rules are subject to the Illinois Administrative Procedure Act [5 ILCS 100] and the rules of the Department of Agriculture pertaining to administrative hearings as promulgated thereunder (8 Ill. Adm. Code 1).

(Source: Added at 21 Ill. Reg. 2139, effective JAN 2 1977)

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1) Heading of the Part: Pupil Transportation Reimbursement

2) Code Citation: 23 Ill. Adm. Code 120

3) Section Number: Adopted Action:
120.115 New Section

4) Statutory Authority: 105 ILCS 5/Art. 29

5) Effective Date of Rules: February 3, 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rule contain incorporations by reference? The rules do not contain an incorporation by reference under Section 5-75 of the Illinois Administrative Procedure Act.

8) Date Filed in Agency's Principal Office: January 27, 1997.

9) Notice of Proposal Published in Illinois Register: October 18, 1996; 20 Ill. Reg. 13485.

10) Has JCAR issued a Statement of Objections to this rule? No

11) Difference(s) between proposal and final version: None

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? No changes were requested by JCAR.

13) Will this amendment replace an emergency amendment currently in effect?
No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Amendment: This amendment responds to P.A. 89-151, which requires a school district to calculate its fully allocated costs for transportation if such a calculation is called for to permit comparison of the district's costs with those of vendors who wish to bid on the provision of transportation services.

16) Information and questions regarding this adopted amendment shall be directed to:

Marcia Sailsbury
Illinois State Board of Education
100 North First Street (E-320)
Springfield, Illinois 62777-0001
217/782-5256

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The full text of the adopted amendment begins on the next page:

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER I: STATE BOARD OF EDUCATION

SUBCHAPTER C: FINANCE

PART 120

PUPIL TRANSPORTATION REIMBURSEMENT

SUBPART A: SCHOOL REIMBURSEMENT

Section

- 120.10 Definitions
- 120.20 Transportation and Student Discipline
- 120.30 Pupil Transportation Services Eligible for Reimbursement
- 120.40 Pupil Transportation Services Not Eligible for Reimbursement
- 120.50 Reimbursable Direct Operating Costs
- 120.60 Reimbursable Annual Depreciation Allowances
- 120.70 Deductions from Direct Operating Costs
- 120.80 Reimbursable Indirect Cost for Pupil Transportation Services
- 120.90 Cost Proration Related to Pupil Transportation
- 120.100 Reimbursement Formulas
- 120.110 Reporting Requirements
- 120.115 Fully Allocated Costs of Transportation
- 120.120 Computerized Bus Scheduling by Contract
- 120.130 Seat Back Reimbursement

SUBPART B: CUSTODIAN REIMBURSEMENT FOR PUPIL TRANSPORTATION

Section

- 120.200 Definitions
- 120.210 Custodians Eligible for Reimbursement
- 120.220 Custodians Not Eligible for Reimbursement
- 120.230 Responsibilities of Schools
- 120.235 Responsibilities of Public and Nonpublic Chief Administrative Officers
- 120.240 Reimbursement
- 120.245 Responsibilities of the Superintendents of Educational Service Regions
- 120.250 Dispute Resolution
- 120.260 Audit and Enforcement

AUTHORITY: Implementing and authorized by Article 29 of the School Code [105 ILCS 5/Art. 29].

SOURCE: Adopted at 10 Ill. Reg. 19438, effective October 31, 1986; amended at 10 Ill. Reg. 21675, effective December 11, 1986; amended at 12 Ill. Reg. 4147, effective February 5, 1988; amended at 13 Ill. Reg. 7731, effective May 8, 1989; amended at 16 Ill. Reg. 10213, effective June 10, 1992; emergency

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amendment at 18 Ill. Reg. 12853, effective August 9, 1994, for a maximum of 150 days; emergency expired January 6, 1995; amended at 21 Ill. Reg. ~~2165~~ ²¹⁶⁵, effective JAN 27.

SUBPART A: SCHOOL REIMBURSEMENT

Section 120.115 Fully Allocated Costs of Transportation

This Section sets forth the requirements for calculating a district's fully allocated costs for the provision of transportation when such a calculation is called for under Section 29-6.3 of the School Code [105 ILCS 5/29-6.3].

a) Definitions

- 1) "Avoidable costs" means costs incurred by a district that would be eliminated or transferred to a contractor if the district contracted for transportation services.
- 2) "Unavoidable costs" means costs incurred by a district that would still exist for the district if the district contracted for transportation services.
- 3) "Residual value" means the value of an asset at the time of its disposal.

b) Allocation of Costs

The allocation of costs directly attributable to the provision of transportation services by the district shall be accomplished as outlined in this subsection (b).

- 1) Costs in the categories enumerated in subsection (c) of this Section which are attributable to the provision of transportation shall be separated from costs in those categories not attributable to the provision of transportation by determining what percentage or portion of each item of expense is used for transportation.
- 2) Each item of cost shall be expressed in terms of the appropriate cost unit, such as an hourly wage, a monthly salary, a monthly lease payment, or a per-mile expense.
- 3) The costs attributable to transportation shall be separated into avoidable and unavoidable costs so that bid amounts can be accurately compared with the district's cost for the same set(s) of services and activities.

c) Fully Allocated Costs

The items enumerated in this subsection (c) and in subsection (d) of this Section are eligible for inclusion by the district in its calculation of the fully allocated cost for the provision of transportation.

1) Labor/Personnel Costs

- A) Managers (direct administration)
- B) Supervisors
- C) Dispatchers
- D) Drivers
- E) Aides/Monitors

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- F) Security Personnel
 G) Clerical Personnel
 H) Training Personnel
 I) Custodians, Groundskeepers, and Maintenance Personnel
 J) Accountants
 K) Personnel Administrative Staff
 L) Legal Staff
 M) Mechanics/Helpers
 N) Inventory/Parts Clerks
 O) Fuel Attendants
 P) Vehicle Cleaners
 Q) Planners/Schedulers
- 2) Employee Benefits (associated with personnel included pursuant to subsection (c)(1) of this Section)
 A) FICA and Medicare
 B) Unemployment insurance
 C) Worker's Compensation
 D) Insurance
 i) health/hospital
 ii) dental
 iii) life
 iv) disability
 E) Pension and retirement plans
 F) Paid absences
- 3) Maintenance and Supplies
 A) Office supplies
 B) Postage and shipping
 C) Custodial supplies
 D) Training materials
 E) Uniforms
 F) Fuel (for vehicles only)
 G) Oil and grease
 H) Tires and tubes
 I) Parts and supplies
 J) Tools
- 4) Utilities
 A) Water and sewage
 B) Electricity
 C) Telephone
 D) Gas/Oil/Coal (for facilities only)
 E) Trash collection
 F) Collection of used oil
- 5) Insurance
 A) Liability insurance
 B) Vehicle insurance
 C) Property, plant, and equipment insurance
 D) Umbrella insurance
- 6) Capital Assets (eligible for depreciation and/or opportunity

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- costs; see subsection (d) of this Section.
 A) Office space
 B) Office equipment, including computers
 C) Parking lots
 D) Furniture
 E) Land
 F) Vehicle storage
 G) Passenger shelters
 H) Buses
 I) Support vehicles
 J) Radio/communications equipment and other necessary equipment permanently attached to a vehicle
 K) Maintenance facilities
 L) Fuel storage and pumps
 M) Tools
 N) Shop equipment
- 7) Taxes, Fees, and Permits
 A) Property tax
 B) Sales and excise tax
 C) Operating permits
 D) Registration fees
 E) Licensing fees
 F) Vehicle inspections
- 8) Miscellaneous
 A) Travel and per diem
 B) Subscriptions and dues
 C) Physical examinations
 D) Professional meetings
 E) Drug and alcohol testing
 F) Criminal background checks
 G) Routing software
 H) Consultants' fees
- 9) Any other costs that the district can document in writing are attributable to its provision of transportation under the terms set forth in this Section.
- d) Depreciation and Opportunity Costs
 1) Only capital assets owned by the district are eligible for depreciation; leased assets are treated as annual expenditure items based upon the cost of the lease for the fiscal year being examined. Land has an unlimited useful life and is therefore not depreciated.
 A) Only those assets with depreciable value in excess of \$1,000 shall be eligible for depreciation.
 B) The amount of depreciation attributable to the fiscal year in question shall be calculated by dividing the cost of acquiring the asset minus its residual value by its useful life.
- 2) The opportunity cost of an asset shall be calculated by assessing

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its current market value, subtracting the cost of disposing of the asset, and multiplying the resulting amount by the interest rate available to the district for the purchase of assets over time.

e) Projecting Future Costs

Using costs for the most recent fiscal year as a base-year point of departure, districts shall project future costs for continuing to provide transportation services, as a basis for comparison with bid amounts. Factors which will influence the district's future costs must be identified and included in the calculation as set forth in this subsection (e).

1) The district shall identify known or anticipated changes in service which would result in significant increases or decreases in cost, such as:

- A) an increased or reduced number of routes;
- B) an increased or reduced number of students;
- C) changes in riders' eligibility;
- D) changes in safety hazard identification practices; and
- E) any other expected change in amount or level of service.

2) The district shall compute the magnitude of the anticipated change by:

- A) determining the number of routes that would be added or subtracted;
- B) determining the number of students that would be added or subtracted from ridership;
- C) determining the amount of change in fixed costs affected by contractual obligations such as insurance; and
- D) determining the amount or degree of any other changes affecting routes, students, and cost factors related to transportation.

3) The district shall identify those elements of cost delineated in subsection (c) of this Section that will be affected by the anticipated changes and shall project the changes in such costs.

4) The district shall estimate the costs associated with replacement of existing capital assets and purchase of new capital assets to accommodate projected changes in the level of services needed.

5) The district shall accumulate the cost increases or decreases and the amortized capital cost increases or decreases over a period equal to the bid timeframe, adding the increase to or subtracting the decrease from the cost for the base year and displaying this addition or subtraction by item of cost.

6) The district shall apply a cumulative inflation factor to each year beyond the base year.

2165

(Source: Added 2/13/81, 21 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Regional Offices of Education and Intermediate Services

2) Code Citation: 23 Ill. Adm. Code 525

3) Section Number:

525.10 Amendment
525.20 Repeal
525.30 Repeal
525.40 Repeal
525.50 Amendment
525.60 Amendment
525.100 Amendment
525.110 Amendment
525.120 Amendment
525.130 Amendment
525.140 Amendment
525.160 Amendment

4) Statutory Authority: 105 ILCS 5/2-3.62, 3A-16, and 3A-17

5) Effective Date of Rules: January 29, 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rule contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: January 24, 1997

9) Notice of Proposal Published in Illinois Register: 20 Ill. Reg. 8585; July 5, 1996

10) Has JCER issued a Statement of Objections to these rule(s)? Yes

11) Difference(s) between proposal and final version: The following changes have been made in the final version of the rules:

*Eliminated the phrase, "and other programs and services assigned by the State Board of Education to the Regional Offices of Education, established pursuant to Section 525.10 of this Part," in the introductory paragraph of Section 525.100.

*Revised Section 525.100(b) to read, "provide information to the Advisory Board concerning programs and services specified by Section 525.110 of this Part."

*Eliminated the sentence that would have read: "Other cooperative efforts between or among the 35 Regional Offices of Education with the largest populations are allowed following consultation with each region's Advisory Board upon recommendation of its Regional Superintendent of Schools," in

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the introductory paragraph of Section 525.110.

*Eliminated Section 525.110(c).

*Revised Section 525.120(a)(1) to read: "the scope and content of the programs and services to be provided and whether those programs and services will be provided by the Regional Office directly or through a cooperative agreement with one or more other Regional Offices;"

*Revised Section 525.120(a)(2) to read: "the services to be provided that address school improvement needs identified by the Regional Office of Education annually through needs assessment conducted in consultation with the region's educators (i.e., teachers, administrators);"

*Revised Section 525.120(a)(5) to read: "the standards and procedures by which the completion of each outcome will be evaluated by the Regional Office of Education. Such evaluation shall specify the progress made toward meeting each need identified in the annual needs assessment and describe the procedures to be taken to address those needs in which inadequate progress was made and those that continue to be a priority."

*Deleted "working in cooperation" from Section 525.120(c).

*Changed the title of Section 525.130 to "Annual Application."

*Revised the second sentence in Section 525.130(b) to read: "This plan shall be aligned with the school improvement needs identified through surveys of school districts conducted by each Regional Office of Education when formulating the plan."

*Revised Section 525.130(b)(3) to read: "an indication of who (e.g., Regional Office of Education or Intermediate Service Center staff, consultants) will conduct each activity;"

*Revised Section 525.130(b)(5) to read: "evaluation criteria by which progress can be measured."

*Revised Section 525.160(d) to read: "The Regional Superintendent of Schools in each Regional Office of Education and the Governing Board of the Chicago Intermediate Service Center shall establish travel regulations. The travel regulations shall include reimbursement rates, designation of reimbursable items, and other conditions deemed necessary."

*Revised Section 525.160(f) to read, "A maximum daily rate for consultants shall be established by the Regional Superintendents of Schools and the Governing Board of the Chicago Intermediate Service Center. The maximum daily rate for individual programs cannot exceed the rate the State Board of Education establishes in the annual application."

*Revised Section 525.160(g) to read: "All unexpended or unobligated funds held by the Regional Office of Education or Chicago Intermediate Service Center at the end of each funding period shall be returned within 45 days to the State Board of Education."

*Revised Section 525.160(h) to read: "The Regional Superintendent, or the Administrative Agent in the case of the Chicago Intermediate Service Center Governing Board, shall provide on a regular basis such fiscal and programmatic information (e.g., expenditures, revenues, contracts, staffing) as is necessary for the Advisory Board or Governing Board to perform its duties."

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- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes, the changes have been made.
- 13) Will these amendments replace emergency rules currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of the Adopted Amendments: P.A. 89-335, effective August 17, 1995, changed the Regional Offices of Education Oversight Boards to Advisory Boards and eliminated the State Board's authority to promulgate rules for the "establishment and operation" of the boards. Therefore, several sections (525.20, Purpose; 525.30, Membership and Selection; and 525.40, Duties) have been repealed. In addition, numerous other changes have been made throughout the rules to eliminate references to the Oversight Boards and clarify the responsibilities of Regional Superintendents of Schools for the administration of the programs and services specified in Section 2-3.62 of the School Code and Section 525.110 of the rules.
- Finally, P.A. 89-15, effective May 30, 1995, eliminated subdistrict superintendents in the Chicago Public Schools, which affected Section 525.60 of the rules.

16) Information and questions regarding these adopted amendments shall be directed to:

Name:	Brenda Heffner
Address:	Regional Offices of Education Services Illinois State Board of Education 100 West Randolph, Suite 14-300 Chicago, Illinois 60601
Telephone:	(312) 814-2222

The full text of the adopted amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

CHAPTER I: STATE BOARD OF EDUCATION

SUBCHAPTER 0: MISCELLANEOUS

PART 525

REGIONAL OFFICES OF EDUCATION OVERSIGHT-BOARDS AND INTERMEDIATE SERVICES

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AUTHORITY: Implementing and authorized by Sections 2-3.62, 3A-16, and 3A-17 of the School Code [105 ILCS 5/2-3.62, 3A-16, and 3A-17].

SOURCE: Adopted at 18 Ill. Reg. 17447, effective November 28, 1994; amended at 20 Ill. Reg. 2172, effective JAN 2 1994.

SUBPART-A:--OVERSIGHT-BOARDS
FOR-THE-REGIONAL-OFFICES-OF-EDUCATION

Section 525.10 Advisory Oversight Boards for Regional Offices of Education

- a) Beginning on the first Monday of August 1995, each of the 45 Regional Offices of Education established pursuant to Section 3A-4 of the School Code [105 ILCS 5/3A-4] shall have an Advisory Oversight Board to advise the Regional Superintendent of Schools concerning programs and services carry-out--the--duties--and oversee--the--planning-and

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delivery-of-programs-and-services as specified in Sections 3A-16 and 3A-17 of the School Code [105 ILCS 5/3A-16 and 3A-17] and Section Sections-525-40-end 525.110 of this Part. The county(ies) comprising each of these offices are as follows:

- 1) Adams and Pike counties
- 2) Alexander, Johnson, Massac, Pulaski, and Union counties
- 3) Bond, Effingham, and Fayette counties
- 4) Boone and Winnebago counties
- 5) Brown, Cass, Morgan, and Scott counties
- 6) Bureau, Henry, and Stark counties
- 7) Calhoun, Greene, Jersey, and Macoupin counties
- 8) Carroll, Jo Daviess, and Stephenson counties
- 9) Champaign and Ford counties
- 10) Christian and Montgomery counties
- 11) Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby counties
- 12) Clay, Crawford, Jasper, Lawrence, and Richland counties
- 13) Clinton, Marion, and Washington counties
- 14) Cook County, excluding the city of Chicago
- 15) DeKalb County
- 16) DeWitt, Livingston, and McLean counties
- 17) DuPage County
- 18) Edwards, Gallatin, Hardin, Pope, Saline, Wabash, Wayne, and White counties
- 19) Franklin and Williamson counties
- 20) Fulton and Schuyler counties
- 21) Grundy and Kendall counties
- 22) Hamilton and Jefferson counties
- 23) Hancock and McDonough counties
- 24) Henderson, Mercer, and Warren counties
- 25) Iroquois and Kankakee counties
- 26) Jackson and Perry counties
- 27) Kane County
- 28) Knox County
- 29) Lake County
- 30) LaSalle County
- 31) Lee and Ogle counties
- 32) Logan, Mason, and Menard counties
- 33) Macon and Piatt counties
- 34) Madison County
- 35) Marshall, Putnam, and Woodford counties
- 36) McHenry County
- 37) Monroe and Randolph counties
- 38) Peoria County
- 39) Rock Island County
- 40) St. Clair County
- 41) Sangamon County
- 42) Tazewell County

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- 43) Vermilion County
 44) Whiteside County
 45) Will County

b) That portion of Cook County outside of the city of Chicago will constitute a Regional Office of Education (Section 3A-1 of the School Code [105 ILCS 5/3A-1]). The Oversight Board shall be responsible for the duties and programs specified in Section 3A-17 of the School Code will be and administered through the following Intermediate Service Centers:

1) North Cook, including the area within the territorial boundaries of the following high school districts:

- A) Evanston Township High School District 202
 B) New Trier Township High School District 203
 C) Maine Township High School District 207
 D) Township High School District 211
 E) Township High School District 214
 F) Niles Township Community High School District 219
 G) Northfield Township High School District 225

2) West Cook, including the area within the territorial boundaries of the following high school districts:

- A) Oak Park and River Forest High School District 200
 B) J. S. Morton High School District 201
 C) Lyons Township High School District 204
 D) Riverside Brookfield Township High School District 208
 E) Proviso Township High School District 209
 F) Leyden Community High School District 212
 G) Ridgewood Community High School District 234
 H) Elmwood Park Community Unit District 401

3) South Cook, including the area within the territorial boundaries of the following high school districts:

- A) Thornton Township High School District 205
 B) Bloom Township High School District 206
 C) Lemont Township High School District 210
 D) Thornton Fractional Township High School District 215
 E) Argo Community High School District 217
 F) Community High School District 218
 G) Reavis Township High School District 220
 H) Rich Township High School District 227
 I) Bremen Community High School District 228
 J) Oak Lawn Community High School District 229
 K) Consolidated High School District 230
 L) Evergreen Park Community High School District 231
 M) Homewood Flossmoor Community High School District 233

c) There will be no Regional Office of Education in the city of Chicago; however, the Intermediate Service Center serving Chicago School District #299 will remain and operate in accordance with Section 525.60 of this Part.

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(Source: Amended at 20 Ill. Reg. 2172, effective JAN 24 1997)

Section 525.20 Purpose (Repealed)

For each Regional Office of Education there shall be established an Oversight Board to oversee the planning and delivery of programs and services under Section 2-3-62 of the School Code and other programs as may be assigned and to advise the regional superintendent of schools (Sections 3A-16 and 3A-17 of the School Code). The following activities and responsibilities must be incorporated into each Regional Office of Education's regional improvement plan developed in accordance with Section 525.128 of this Part for delivery of services through the Regional Offices of Education:

- a) Inservice training and staff development opportunities to improve the knowledge and skills of educators and support the school improvement process called for in Subpart A of the rules for Public Schools Evaluation Recognition and Supervision (23 Ill. Adm. Code 1 Subpart A);
- b) School improvement services as delineated in Section 525.110 of this Part;
- c) Coordination and communication of information and research relating to school improvement;
- d) Regional delivery of federal and/or state supported programs and services in education as authorized in Section 2-3-62 of the School Code and as directed by the State Superintendent of Education;
- e) Establishment and operation of services to meet the educational needs of the region; and
- f) Report on the fiscal planning and other activities of the Regional Office of Education to the region's school districts at least annually as specified in Section 525.40(g) of this Part.

(Source: JAN 24 1997 at 20 Ill. Reg. 2172, effective JAN 24 1997)

Section 525.30 Membership and Selection (Repealed)

Each Oversight Board shall have 13 members comprising seven public members four certified public school teachers and two certified public school administrators all of whom shall serve four year terms except as specified in Section 525.30(e) of this Part. Regional Superintendents of Schools in each of the Regional Offices of Education shall be responsible for coordinating the Oversight Board selection process which will include notifying constituency groups of the need to choose members, preparing ballots and reporting the selection process results to the State Board of Education and to the school district superintendents and collective bargaining representatives in their respective regions for the purposes of this Section. Regional Superintendent of Schools includes those Regional Superintendents who exercise authority over the regions in existence as of January 17, 1995 and those Regional

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Superintendents shall work collaboratively in conducting the selection process in cases where their regions will comprise a single region as of August 7, 1995 (see Section 525-10 of this Part).

a) Seven public members shall be chosen by the presidents of the region's school-parent groups (see subsection (a)(4) of this Section) at meetings held initially in April 1995 and then during the month of April of each year thereafter as public members. Terms expire one public member shall be selected from each of seven balanced subregions; the boundaries of which shall be determined by the Regional Superintendent of Schools, and shall be from each of the region's counties in multi-county regions; in regions comprised of eight or more counties, only one member can be from any county. Subregion boundary lines shall be along school district boundary lines and shall insofar as possible be drawn to achieve numerical balance of enrolled students in each subregion.

b) Any person residing in the region to be served by the Oversight Board shall be eligible to be considered for nomination, provided on the date of selection he or she:

A) is a citizen of the United States; is at least 18 years old; has been a resident of the state and the subregion from which he or she is to be selected for at least one year; is a registered voter as provided in the general election law; and is not a school trustee or school treasurer (Section 10-10 of the School Code (105 ILCS 5410-10)).

B) is neither a member of a local board of education or a school district employee and

C) is not an employee of the Regional Office of Education served by the Oversight Board to which he or she would be selected.

2) The Regional Superintendent of Schools as defined in Section 525-30 of this Part shall divide each of the 45 regions that will exist on August 7, 1995 into seven balanced subregions by January 17, 1995. The decision of the Regional Superintendent of Schools regarding the division is final.

3) The Regional Superintendent of Schools shall notify all school district superintendents in writing not later than January 15 of the names of the districts in each of the seven subregions; need to select a public member to represent the subregion; and the opportunity to nominate candidates. District superintendents shall notify each school-parent group within their districts of the need to select members.

4) A designated representative shall be chosen from each school:

A) In schools with an established parent-teacher organization (e.g., PTA, PTO, PGC), the president elected by the membership shall be the designated representative.

B) In those instances where a school does not have an established parent-teacher organization, then the presidents of recognized school organizations whose memberships are

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open to all parents in the school (e.g., booster club, school foundation) shall jointly determine the designated representative for the school.

e) The school-parent groups shall submit to the Regional Superintendent or the designee for their subregion (e.g., Assistant Regional Superintendent, district superintendent) no later than March 1 the names of the designated representatives from each school within the subregion.

5) The school district superintendent shall convene a meeting with the designated representatives within the district to select no more than two district nominees whose names shall be forwarded to the Regional Superintendent or subregion designee not later than March 15 for placement on the ballot.

6) The Regional Superintendent or subregion designee shall prepare a ballot for each of the subregions from the nominations submitted by the districts and distribute the list of candidates for each subregion to each school's designated representative in the appropriate subregions by April 1. Ballots shall contain the name of each candidate and the district the candidate represents.

7) The Regional Superintendent or subregion designee shall convene a meeting in April in each of the subregions for the purpose of selecting a public member of the Oversight Board for that subregion from among the nominations submitted and shall notify each designated representative from each school of the location, time and date of the meeting. The Regional Superintendent or subregion designee may hold concurrent meetings at different locations within the subregions if travel time required of designated representatives is unreasonable or if concurrent meetings would simplify the selection process. Those designated representatives unable to attend the selection meeting may vote by mail in a manner determined by the Regional Superintendent or subregion designee.

8) The final results shall be reported in writing by the Regional Superintendent to the State Board of Education and to school district superintendents in the region.

b) Four members shall be public school teachers none of whom shall be employed by the same school district to be selected by all the teachers in the region initially in April 1995 and then during the month of April in each year thereafter when a teacher's term expires.

i) Any one holding a valid teaching certificate in accordance with Section 21-1 of the School Code (105 ILCS 5421-1) and who is currently employed as a teacher in a public school district as established in Article 10 of the School Code (105 ILCS 5410-10) located in the region to be served by the Oversight Board will be considered a teacher for the purposes of voting nomination and membership.

2) The Regional Superintendent of Schools shall notify all district superintendents in the region in writing not less than six weeks

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before the selection date of the need to select teacher members the number to be selected, the date for the selection and the opportunity to nominate candidates.

3) In each school district with a recognized bargaining unit, the district superintendent will notify the bargaining unit representative of the opportunity to nominate teachers for membership on the Oversight Board. The bargaining unit representative, after consultation with teachers in the district may submit the name of one nominee to the Regional Superintendent for placement on the ballot.

4) The district superintendent in each district that does not have a recognized bargaining unit will hold a meeting with all teachers in the district for the purpose of nominating one person from the district to be placed on the ballot.

5) The bargaining unit representatives or school district superintendents shall submit to their Regional Superintendent the name of their nominee at least two weeks before the scheduled selection date.

6) The Regional Superintendent shall prepare a master ballot containing the names and district affiliations of the districts nominees.

A) The Regional Superintendent shall mail to the recognized bargaining unit representative in each district a ballot listing the nominees and shall identify from information supplied by the State Board of Education the total number of votes which the district may cast. This number shall be equal to the number of certified teachers working in the district.

B) In each district without a recognized bargaining unit, the Regional Superintendent shall provide the district superintendent with a ballot for each certified teacher.

7) In each district with a recognized bargaining unit, the unit representative shall return the ballot to the Regional Superintendent, indicating the number of votes each candidate received. In districts without collective bargaining agents, the district superintendent shall return the individual teacher ballots to the Regional Superintendent. These ballots shall be returned to the Regional Superintendent in a sealed envelope by the date specified in the materials mailed pursuant to subsections (6)(A) and (B) above.

8) On the date specified, the Regional Superintendent shall publicly open and count the ballots. The Regional Superintendent shall post the results of all of the balloting listing candidates in order of the number of votes received, starting with the candidate receiving the most votes. The number of candidates receiving the most votes equal to the number necessary to fill the vacancies shall be determined. The names of the selected members shall be reported in writing to the State Board of

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Education, and to district superintendents and collective bargaining representatives in the region.

c) Two members shall be public school administrators who shall not be employed by the same school district to be selected by all administrators in the region initially in April 1995 and then during the month of April in each year thereafter when an administrator's term expires.

1) An administrator for the purposes of voting nomination and membership shall be anyone who holds a valid administrative certificate in accordance with Section 21-7.1 of the School Code (105 ILCS 5/21-7.1) and is currently employed in a full-time administrative capacity within a public school district as established in Article 10 of the School Code (105 ILCS 5/Art. 10) located in the region to be served by the Oversight Board.

2) The Regional Superintendent of Schools shall notify all school district superintendents in writing not less than six weeks before the selection date of the need to select administrators. The number to be selected, the date for the selection and the opportunity to nominate candidates.

3) Each school district superintendent in consultation with all administrators in his or her district may submit one nominee to the Regional Superintendent for the region at least two weeks before the scheduled selection date. The Regional Superintendent shall prepare a master ballot containing the names and district affiliations of the districts nominees.

4) The Regional Superintendent shall provide each district superintendent with a ballot for each administrator. The district superintendent shall distribute, collect and tally the ballots for the district. Ballots shall be returned to the Regional Superintendent by the district superintendent in a sealed envelope by the date specified at the time the ballots were received.

5) On the date specified, the Regional Superintendent shall publicly open and count the ballots from the districts. The Regional Superintendent shall post the results of all of the balloting by candidate in order of the number of votes received, starting with the candidate receiving the most votes. The number of candidates receiving the most votes equal to the number necessary to fill the vacancies shall be determined. The names of the selected members shall be reported to the State Board of Education and to district superintendents in the region.

d) Each initial member of an Oversight Board selected in April 1995 shall participate in a State Board of Education training program within six months after selection unless the member has received permission in writing from the State Board of Education to be excused and has agreed to participate in alternate training approved by the State Board of Education. Future participants in the training program shall result in the members' ineligibility to serve on the Oversight Board.

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- e) and the member's position shall be declared vacant: Oversight Boards members, whose terms shall begin on May 1, shall serve for four years except for initial members, five of whom shall serve until April 30, 1996, four of whom shall serve until April 30, 1997, and four of whom shall serve until April 30, 1998 (Sections 3A-16 and 3A-17 of the School Code); the dates of initial expiration will be determined by lot as established by each Oversight Board; the method for filling vacancies on the Oversight Boards shall be determined by each Oversight Board and shall be specified in each board's bylaws, except that vacancies must be filled with a representative from and in consultation with the same constituent group and if applicable, subregion as that of the member leaving the board; persons selected to fill a vacancy shall serve until the next annual selection process in April following the vacancy.
- g) All meetings of Oversight Boards shall comply with the Open Meetings Act (5-1865-1201).

(Source: Repealed at 20 Ill. Reg. 2172, effective JAN 24 1994)

Section 525.40 Duties (Repealed)

Each Oversight Board shall have the following duties:

- a) to select a chairperson, vice chairperson and secretary;
- b) to adopt all necessary rules for the management and governance of the board, including bylaws (e.g., quorum requirements, vacancies, attendance requirements, personnel policies, and an annual calendar of meetings that provides for at least six meetings a year);
- c) to advise the regional superintendent on the educational needs of the region (Sections 3A-16 and 3A-17 of the School Code);
- d) to review and approve the fiscal, planning, and other activities of the regional office of education, upon recommendation by the regional superintendent (Sections 3A-16 and 3A-17 of the School Code);
- e) upon recommendation of the regional superintendent, to employ personnel and enter into contracts (Sections 3A-16 and 3A-17 of the School Code);
- f) to indemnify members of the oversight board (Sections 3A-16 and 3A-17 of the School Code);
- g) to report annually to the region's school districts on the fiscal, planning, and other activities of the regional office of education and have that report available for public inspection (Sections 3A-16 and 3A-17 of the School Code); this report shall include an evaluation of the programs and services delivered to the region's school districts specifying the progress made toward meeting each need identified in the annual needs assessment conducted pursuant to subsection (4) of this Section and describing the action that shall be taken to address those needs in which progress was not made;
- h) to file with the State Board of Education an annual financial

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- statement on forms prescribed by the State Board of Education (Sections 3A-16 and 3A-17 of the School Code);
- i) to annually approve the budget and expenditures for the use of the institute fund, upon recommendation from the Regional Superintendent of Schools (Sections 3-11 and 3-12 of the School Code (105-1865-5/3-11 and 3-12)), and
- j) to annually conduct a needs assessment in consultation with the region's educators (i.e., teachers, administrators) that considers the unique demographics of the region's schools. Such needs assessment will be used as a basis of the regional improvement plan developed pursuant to Section 525-120 of this Part, to align resources, including funding, provided through an annual application from the State Board of Education pursuant to Section 525-130 of this Part, and to contain staff development activities planned for the current year; the plan shall be updated annually and provided to all school districts in the region and to the State Board of Education.

(Source: Repealed at 20 Ill. Reg. 2172, effective JAN 24 1994)

Section 525.50 Intermediate Service Centers in Cook County Outside the City of Chicago

- a) Each of the Intermediate Service Centers established pursuant to Section 525.10(b) of this Part shall have a Governing Board consisting of 11 members, of whom 3 shall be public school teachers nominated by the local bargaining unit representatives to the existing Governing Board for appointment or election in accordance with that Board's bylaws and no more than 3 members from each of the following categories to include at least superintendents, school board members and a representative of higher education. The Regional Superintendent (or designee) of Cook County shall be a member of each of these three Governing Boards. A member who changes category status shall be allowed to remain on the board only if the change does not violate the membership limits specified above.
- 1) The member(s) of the Governing Board who represents public school teachers, superintendents and board members shall be selected from school districts within the center's service area.
 - 2) The member(s) of the Governing Board who represents higher education shall be selected from a degree-granting postsecondary institution whose campus lies within the area to be served.
 - 3) The member(s) of the Governing Board who does not represent, is not employed by, or is not the designee of public school teachers, superintendents, the regional superintendent, school board members or higher education must reside within the area to be served by the center.
- b) Terms of office for Governing Board members shall be four years. The method for filling vacancies on the Governing Board, including

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vacancies created by the expiration of members' terms, shall be determined by each center's Governing Board and shall be specified in its bylaws.

- c) Each Governing Board shall have the following duties and responsibilities:
- 1) to select a chairperson, vice-chairperson and secretary;
 - 2) to review the ~~Overnight-Board's~~ budget for those services and programs provided pursuant to Section 525.110 of this Part;
 - 3) to review the regional improvement plan for the Regional Office of Education developed pursuant to Section 525.120 of this Part;
 - 4) to adopt an annual calendar of meetings providing for at least six meetings a year; and
 - 5) to submit information and reports requested by the State Superintendent of Education.
- d) The three Governing Boards shall work in cooperation and in consultation with the Cook County Regional Office of Education ~~Overnight-Board~~ in the delivery of services and programs provided pursuant to Section 525.110 ~~Subpart-B~~ of this Part.
- e) All meetings of the Governing Boards shall comply with the Open Meetings Act [5 ILCS 120].

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2 1992)

Section 525.60 City of Chicago Intermediate Service Center

There shall be an Intermediate Service Center in the city of Chicago, which shall develop and deliver services designed to meet the needs of the schools in its service area pursuant to the requirements of Section 525.110 ~~Subpart-B~~ of this Part.

- a) The Chicago Intermediate Service Center shall be governed by an 11-member Governing Board that shall include 3 public school teachers who shall be nominated by the local bargaining unit representative to the existing Governing Board for appointment or election in accordance with that Board's bylaws and no more than 3 members from each of the following categories to include at least ~~subdistrict--superintendents~~ and a representative of higher education.
- 1) The member(s) of the Governing Board who represents public school teachers and subdistrict superintendents shall be selected from the school district within the center's service area.
 - 2) The member(s) of the Governing Board who represents higher education shall be selected from a degree-granting postsecondary institution whose campus lies within the area to be served.
 - 3) The member(s) of the Governing Board who does not represent, is not employed by, or is not the designee of public school teachers, ~~subdistrict--superintendents~~, or higher education must reside within the area to be served by the center.
 - 4) Terms of office for Governing Board members shall be four years.

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The method for filling vacancies on the Governing Board, including vacancies created by the expiration of members' terms, shall be determined by the center's Governing Board and shall be specified in its bylaws.

- b) The State Superintendent of Education shall designate an administrative agent for the center in consultation with its Governing Board established pursuant to subsection (a) of this Section. The administrative agent shall be either a Regional Office of Education or a public school district and shall serve as the chief administrator of the center with the following responsibilities:
- 1) to designate a person to serve as an ex officio nonvoting member of the Governing Board;
 - 2) to be the employer of record for personnel who are necessary to carry out the functions of the center, and whose employment has been recommended to and approved by the Governing Board;
 - 3) to submit recommendations to the Governing Board for the employment of personnel;
 - 4) to provide direction and assistance to center staff pursuant to policies adopted by the Governing Board;
 - 5) to supervise and evaluate center staff pursuant to policies adopted by the Governing Board;
 - 6) to serve as fiscal agent with authority to receive and disburse funds within a budget adopted by and pursuant to approval by the Governing Board;
 - 7) to make recommendations to the Governing Board regarding budget, personnel policies and decisions, and other such matters as the Governing Board may delegate;
 - 8) to oversee the implementation of the center's regional improvement plan developed pursuant to Section 525.120 of this Part; and
 - 9) to prepare and submit information as directed by the State Superintendent of Education.
- c) The Governing Board shall have the following duties and responsibilities:
- 1) to select a chairperson, vice-chairperson and secretary;
 - 2) to periodically evaluate the performance of the administrative agent and, if such evaluation indicates a change in agent is desirable, to recommend such change to the State Superintendent of Education pursuant to the provisions of subsection (b) of this Section;
 - 3) upon recommendation of the administrative agent, to approve the employment of such personnel as may be necessary to carry out the functions of the center;
 - 4) to approve the center's budget;
 - 5) to approve the regional improvement plan for the center developed pursuant to Section 525.120 of this Part;
 - 6) to adopt all necessary rules for the management and governance of the center, including bylaws, personnel policies, and an annual

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- calendar of meetings providing for at least six meetings a year; to indemnify, insure and protect the center and its Board members, administrative agent, employees, and authorized volunteers against civil and constitutional rights damage claims and suits and bodily injury and property damage claims and suits; and
- 8) to submit information and reports as deemed necessary by the State Superintendent of Education.
- d) All meetings of the Governing Board shall comply with the Open Meetings Act [5 ILCS 120].

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2, 1994.)

SUBPART B---PROGRAM-ADMINISTRATION-AND-EVALUATION

Section 525.100 Role of Chief Administrator

The Regional Superintendent of Schools in each Regional Office of Education shall serve as the chief administrator for the programs and services specified by Section 2-3.62 of the School Code and other programs and services assigned by the State Board of Education to the Regional Offices of Education, established pursuant to Section 525.10 of this Part, and shall:

- a) oversee personnel who are necessary to carry out the services and programs pursuant to Section 525.110 of this Part;--and---whose employment--has--been--recommended--to--and--approved--by--the--Oversight Board;
- b) provide information assistance to the Advisory Oversight Board in order for it to perform its concerning programs and services specified by Section 525.110 of this Part duties and responsibilities pursuant to Section 525.40 of this Part;
- c) oversee fiscal accounts and the receipt and disbursement of funds within a budget adopted by the Oversight Board;
- d) make recommendations to the Oversight Board regarding budget personnel policies and decisions;--and--other--such--matters--as--the Regional Superintendent deems necessary; and as the Board requests;
- e) oversee the implementation of the Regional Office of Education's regional improvement plan developed pursuant to Section 525.120 of this Part; and
- f) on behalf of the Oversight Board, prepare and submit information as directed by the State Superintendent of Education.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2, 1994.)

Section 525.110 Programs and Services to be Provided

The following school improvement services shall be provided by each Regional

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Office of Education and the Chicago Intermediate Service Center as defined in Section 525.10 of this Part. These services shall comprise a core common to all Regional Offices and the Chicago Intermediate Service Center, but shall not limit the range of programs and services that may be offered by one or more of these entities. The 10 Regional Offices of Education with the smallest populations shall provide services under cooperative agreements with one or more of the 35 Regional Offices of Education with the largest populations in accordance with subsection (b) of this Section. Other cooperative efforts between or among the 35 Regional Offices of Education with the largest populations are allowed following consultation with the approval of each region's Advisory Oversight Board upon recommendation of its Regional Superintendent of Schools.

- a) Each Regional Superintendent of Schools Oversight Board shall ensure the provision to all school districts of the programs and services listed in this subsection (a). Such services may be provided either directly by each Regional Office of Education or in cooperation with one or more Regional Offices of Education. Such services may include, but need not be limited to, the provision of administrator and teacher training programs, data collection, on-site consultation, evaluation services, implementation of the improvement practices selected by school district staff, and other services identified by school personnel as critical to the completion of their school improvement efforts.

- 1) Each Regional Office of Education shall provide for Education of Gifted Children as specified in Section 2-3.62(1) of the School Code. Gifted education services are those necessary to support school administrators and teachers in the planning, implementation, and evaluation of the district comprehensive gifted education plans as they relate to school improvement plans. Regional Offices shall assist the State Board of Education with collection and dissemination of information relative to the implementation of district comprehensive plans, professional development programs, and the completion of special studies as deemed necessary by the State Superintendent of Education.

- 2) Each Regional Office of Education shall provide for Computer Technology Education as specified in Section 2-3.62(2) of the School Code. This shall include planning, implementation, and evaluation services necessary for the establishment of programs designed to achieve computer literacy and high-technology competency. These technology services must include, but need not be limited to, inservice training and staff development; use, application, and evaluation of software; technical assistance; and curriculum development.

- 3) Each Regional Office of Education shall provide for Staff Development Services in Fundamental Learning Areas, to include at least mathematics, science, and reading resources, as specified in Section 2-3.62(3) of the School Code. These services shall

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include planning, implementation, and evaluation services as they relate to the continuing education, inservice training, and staff development needs of teachers and administrators in the areas of mathematics, biological and physical sciences, language arts, fine arts, social sciences, and physical development and health. Activities shall include, but need not be limited to, assisting in needs assessment activities, providing workshops and inservice training sessions, providing technical assistance, convening study or assessment groups, and acting as a clearinghouse for research materials in the fundamental learning areas.

4) Each Regional Office of Education shall ensure access for all administrators to continuing professional development offered through the Illinois Administrators' Academy (Section 2-3.53 of the School Code [105 ILCS 5/2-3.53]) and at least provide the following services: assessing regional needs, acting as a clearinghouse for educational materials and research, and keeping accurate records of attendance at inservice training sessions provided through the Illinois Administrators' Academy.

5) Each Regional Office of Education shall establish and maintain a directory of cooperating consultants used by the Regional Office to provide services to school districts and to make information regarding such consultants available to schools.

b) The oversight-boards-of-the 10 Regional Offices of Education with the smallest populations shall enter into cooperative agreements with one or more of the larger regions to provide those services outlined in subsections (a)(1) through (5) of this Section, provided that:

1) approval for the agreement is obtained from each Regional Superintendent of Schools of-the-oversight-boards involved in the cooperative;

2) services and programs to be delivered are included in the regional improvement plan pursuant to Section 525.120 of this Part; and

3) if one or more of the 10 Regional Offices of Education cannot enter into a cooperative agreement with one or more of the larger regions, then the State Board of Education shall work with regions so that they enter into a cooperative agreement or, if necessary, assign regions to participate in a cooperative agreement.

c) In addition to the above prescribed programs and services, each Regional Office of Education and the Chicago Intermediate Service Center shall, upon written direction of the State Superintendent of Education, develop a plan for the inclusion of additional programs and services.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2, 1971)

Section 525.120 Regional Improvement Plan

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a) Each Regional Office of Education, in consultation with its Advisory Oversight Board, and the Chicago Intermediate Service Center annually shall develop a plan to carry out the services and programs required under Section 525.110 of this Part. The regional improvement plan shall include a description of:

1) the scope and specific content of the programs and services to be provided and whether those programs and services will be provided by the Regional Office directly or through a cooperative agreement with one or more other Regional Offices;

2) the services to be provided that address school improvement needs identified by the Regional Office of Education annually through the annual needs assessment conducted in consultation with the region's educators (i.e., teachers, administrators) pursuant to Section 525.40(g) of this Part;

3) whether services will be delivered by means of on-site consultations, meetings, workshops, conferences, or other means;

4) the costs for implementing each activity; and

5) the standards and procedures by which the completion of each outcome will be evaluated by the Regional Office of Education. Each evaluation shall specify the progress made toward meeting each need identified in the annual needs assessment and describe the procedures to be taken to address those needs in which inadequate progress was made and those that continue to be a priority. 7-such-evaluation-to-be-conducted-pursuant-to--Section 525.40(g)-of-this-Part;

b) Those Regional Offices of Education that choose to provide the programs and services defined in Section 525.110(a)(1) through (5) of this Part in cooperation with each other shall ensure that each regional improvement plan addresses all the components for each office working in cooperation.

c) The Regional Offices of Education which have contracted with the 10 Regional Offices of Education with the smallest populations to provide programs and services as defined in Section 525.110 of this Part shall work with those offices to develop regional improvement plans and ensure that those plans address all the components for each office working-in-cooperation.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2, 1971)

Section 525.130 Annual Grant Application

Each Regional Office of Education and Chicago Intermediate Service Center shall submit an annual application. The application shall include the following:

a) A letter of transmittal which identifies the Regional Office of Education and, includes-an-assurance-that-the-minutes-of-its-Oversight Board--or--Governing--Board in the case of the Chicago Intermediate Service Center Governing Board, shows that the Board has show--the

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formally approved a motion granting authority to submit the application.

- b) A detailed annual plan for the services to be provided by the Regional Office of Education or Chicago Intermediate Service Center pursuant to Section 525.120 of this Part. This plan shall be aligned with the school improvement planning needs identified through surveys the annual survey of school districts to be conducted by each Regional Office of Education when formulating the plan. Objectives along with specific activities shall be presented. Activity statements shall include:

- 1) an indication of each activity that responds to a need identified in the annual needs assessment as specified in 525.120(a)(2) conducted pursuant to Section 525.40(f) of this Part;
 - 2) an indication of when each activity will be implemented and completed;
 - 3) an indication of who (e.g., Regional Office of Education or Intermediate Service Center staff, consultants) will conduct each activity;
 - 4) an indication of what each activity will accomplish; and
 - 5) evaluation criteria by which progress accomplishment--of--the activity can be measured.
- c) Job descriptions for the professional and nonprofessional staff to be employed by the Regional Office of Education or Chicago Intermediate Service Center. If there will be part-time employees, the approximate percentage of time they will be assigned to activities shall be submitted. Resumes shall not be submitted.
- d) Services that may be subcontracted are those which the Regional Office of Education or Chicago Intermediate Service Center staff cannot provide.

- 1) The following information regarding subcontracts in excess of \$5,000 shall be provided to the State Board of Education prior to entering into any subcontract:

- A) a statement of what is needed and why the staff cannot provide it;
 - B) name of the subcontractor;
 - C) the total subcontract amount;
 - D) a description of the goods and/or services to be distributed or delivered;
 - E) a detailed budget, including the beginning and ending dates for the proposed subcontract; and
 - F) a resume(s) if the subcontract includes professional services.
- 2) The State Superintendent of Education shall approve a subcontract when the evidence presented demonstrates that a need exists which the Regional Office of Education or Chicago Intermediate Service Center staff cannot meet and that the costs represent fair market value for the goods and/or services to be provided.

- e) Applications shall contain a budget indicating in detail each item of

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expenditure for the programs and services to be provided. The proposed budget shall be presented on a form provided by the State Board of Education. Expenditures shall be annually audited by an independent auditor pursuant to 23 Ill. Adm. Code 110.115.

- f) Applications must be submitted in accordance with directions set forth by the State Superintendent within 45 days after written notice by the State Board of Education. The Regional Office of Education or Chicago Intermediate Service Center shall submit three (3) copies of the application to the State Superintendent, with one copy bearing the original signature of ~~the~~ Chairperson--of either the Regional Superintendent Oversight-Board or Chairperson of the Governing Board, in the case of the Chicago Intermediate Service Center. No FAX copies will be accepted; however, electronic transmission may be allowed as directed by the State Superintendent of Education.
- g) Applications shall be reviewed by State Board of Education staff. If an application does not meet the criteria set forth in Section 2-3.62 of the School Code and this Part, then State Board staff shall contact the applicant and request the submission of an amended application.
- h) Upon determining that an application is in compliance with Section 2-3.62 of the School Code and this Part, the State Superintendent of Education shall approve the application and shall notify the Chairperson-of-the-Oversight-Board-and the Regional Superintendent or, in the case of the Chicago Intermediate Service Center, the Chairperson of the Governing Board and the Administrative Agent, of such approval.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 2 1990)

Section 525.140 Program Evaluation Standards and Procedures

The State Board of Education will annually evaluate programs that receive funds under this Part Subpart on the basis of the following standards.

- a) A review of the Regional Office of Education or Chicago Intermediate Service Center program records and operations reveals that the program complies with the provisions of Section 2-3.62 of the School Code and that it has been conducted in conformance with the provisions of the application approved by the State Superintendent of Education pursuant to Section 525.130 of this Part. To make these determinations:

- 1) State Board staff shall review the Regional Office of Education's or the Chicago Intermediate Service Center's program records at least annually; visits to districts receiving services from a particular office or center will be conducted if the staff believes on-site clarification of questions arising from the documentary review is needed;
- 2) State Board staff shall visit the Regional Office of Education or the Chicago Intermediate Service Center at least once every two years for the purpose of reviewing records and operations

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on-site; and

- 3) Additional on-site visits shall be conducted as the State Board staff may deem necessary to resolve any questions arising from the documentary review.
- b) Regional Office of Education or the Chicago Intermediate Service Center evaluation standards and procedures shall conform to the requirements of Section 525.120(a)(5) 525-40(g) of this Part; and the report resulting from the application of these standards and procedures shall describe the extent to which the Regional Office of Education or the Chicago Intermediate Service Center has met its objectives.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 24 1992)

Section 525.160 Fiscal Procedures

- a) The Regional Superintendent of Schools in each Regional Office of Education and the Administrative Agent for the Chicago Intermediate Service Center shall maintain accurate financial records. The financial records shall be maintained in accordance with 23 Ill. Adm. Code 110 (Program Accounting Manual) as applicable. The State Board of Education and its agents shall have full and complete access at all times during regular business hours to files, records and all other property maintained by the Regional Superintendent of Schools or Administrative Agent for programs and services provided pursuant to Section 525.110 of this Part.
- b) All purchases exceeding the amount specified in Section 10-20.21 of the School Code [105 ILCS 5/10-20.21] must be bid in accordance with that Section.
- c) The Regional Superintendent of Schools and the Administrative Agent of the Chicago Intermediate Service Center shall maintain an inventory of equipment (using forms to be provided by the State Board of Education) acquired with funds received directly from the State of Illinois.
- d) The Regional Superintendents of Schools ~~oversight-boards~~ in each Regional Office of Education and the Governing Board of the Chicago Intermediate Service Center shall establish travel regulations. The travel regulations shall include reimbursement rates, designation of reimbursable items, and other conditions ~~deemed the-boards--deem~~ necessary.
- e) Registration fees for conferences/workshops are to be determined on a cost-recovery basis, in accordance with 23 Ill. Adm. Code 110.115(f).
- f) A maximum daily rate for consultants shall be established by the ~~oversight-boards-of-the~~ Regional Superintendents of Schools ~~offices-of~~ Education and the Governing Board of the Chicago Intermediate Service Center. The maximum daily rate for individual programs cannot exceed the rate the State Board of Education establishes in the annual grant application.

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- g) All unexpended or unobligated grant funds held by the Regional Office of Education or Chicago Intermediate Service Center grantee at the end of each funding ~~grant--agreement~~ period shall be returned within 45 days to the State Board of Education.
- h) Bimonthly reports shall be provided by the Regional Superintendent to the Advisory ~~oversight~~ Board, or by the Administrative Agent to the Chicago Intermediate Service Center Governing Board, of all purchases, expenditures, revenues, contracts and employment actions for programs and services provided pursuant to Section 525.110 of this Part since the prior reporting period.

(Source: Amended at 20 Ill. Reg. 2172, effective JAN 24 1992)

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NOTICE OF ADOPTED AMENDMENT(S)

- 1) Heading of the Part: Minimum Standards for Certification of Developmental Training Programs

2) Code Citation: 59 Ill. Adm. Code 119

3) Section Number: 119.330
Adopted Action:
Amended

4) Statutory Authority: Implementing and authorized by Section 15.2 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/15.2].

5) Effective Date of Adopted Rules: February 1, 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Do these rules contain incorporations by reference? This rulemaking does not incorporate by reference any federal statutes or regulations or rules of another State agency.

8) Date Filed in Agency's Principal Office: January 31, 1997

9) Notice(s) of Proposal Published in Illinois Register: 20 Ill. Reg. 13492 (October 18, 1996).

10) Has JCAR issued a Statement of Objections to these rules? No. JCAR has not issued an objection to these rules.

11) Difference(s) between proposal and final version: **The Department made the following changes in response to recommendations from the Administrative Code Division:** The Administrative Code Division did not recommend any changes.

The Department made the following changes in response to recommendations from the Joint Committee on Administrative Rules: All changes recommended by the Joint Committee during the first notice period were made.

The Department made the following changes in response to public comments: The Department did not receive any public comments.

The Department made the following technical changes: The source notes were revised to read "21 Ill. Reg."

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these rules replace an emergency rule? No

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- 14) Are there any amendments pending on this Part? Yes

Section Numbers	Proposed Action	IL Register Citation
119.120	Amended	21 Ill. Reg. 1532
119.210	Amended	21 Ill. Reg. 1532
119.261	New Section	20 Ill. Reg. 16016
119.270	Added	21 Ill. Reg. 1532
119.305	Amended	21 Ill. Reg. 1532

15) Summary and Purpose of Rules: Parts 113, 115 and 119 are being amended to reference the Department's rule at 59 Ill. Adm. Code 101.70 (20 Ill. Reg. 7276, May 24, 1996). With the adoption of 59 Ill. Adm. Code 101.70, the hearings and appeals procedures in 59 Ill. Adm. Code 113, 115 and 119 are no longer necessary. Section 113.30, when adopted, will cross reference the hearings and appeals procedures in 59 Ill. Adm. Code 101.70.

16) Information and questions regarding this adopted amendment shall be directed to:

Judith Hollenberg
Rules Administrator
Illinois Department of Mental Health
and Developmental Disabilities
401 Stratton Building
Springfield IL 62765
Telephone (217)785-3313
FAX (217)524-8920

The full text of the Adopted Amendment(s) begins on the next page:

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NOTICE OF ADOPTED AMENDMENT(S)

TITLE 59: MENTAL HEALTH
CHAPTER 1: DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

PART 119

MINIMUM STANDARDS FOR CERTIFICATION OF DEVELOPMENTAL TRAINING PROGRAMS

SUBPART A: GENERAL PROVISIONS

Section

119.100 Applicability
119.110 Incorporation by reference
119.120 Definitions

SUBPART B: PROGRAM REQUIREMENTS

Section

119.200 General requirements
119.205 Criteria for participation of individuals
119.210 Exclusion, suspension or discharge of an individual
119.215 Program staff
119.220 Interdisciplinary team (team)
119.225 Assessment of individuals
119.230 Individual services plan (plan)
119.235 Individual rights and confidentiality
119.240 Special training procedures
119.245 Committees
119.250 Medications and medical care
119.255 Environmental management
119.260 Administrative requirements

SUBPART C: CERTIFICATION REQUIREMENTS

Section

119.300 Issuing a certificate and period of certification
119.305 Application for certification
119.310 Application acceptance and verification
119.315 Non-transferability of a certificate
119.320 Cessation of operations
119.325 Certificate denial
119.330 Hearings

AUTHORITY: Implementing and authorized by Section 15.2 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/15.2].

SOURCE: Adopted at 14 Ill. Reg. 17227, effective October 9, 1990; emergency amendment at 16 Ill. Reg. 2662, effective February 1, 1992, for a maximum of

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150 days; emergency expired June 30, 1992; amended at 21 Ill. Reg.
~~2195~~, effective ~~FEB 01 1994~~.

SUBPART C: CERTIFICATION REQUIREMENTS

Section 119.330 Hearings

- a) The Department may not deny or suspend a certificate unless the provider is given written notice of the grounds for the Department's action. Except when denial of a certificate is based on imminent risk as described in Section 119.325, the provider may operate and receive a reimbursement for services during the period preceding the hearing, until such time as a final decision is made.
- b) Hearings shall be conducted in accordance with the Department's rule at 59 Ill. Adm. Code 101.70, Conduct of hearings and appeals. ~~The provider may appeal the Department's proposed action within 30 days after receipt of the Department's written notice by making a written request to the Director for a hearing.~~
- c) ~~The Department shall schedule a hearing within 20 working days of receipt of the request for appeal. The provider shall be notified by registered mail not less than 14 days prior to the date of the hearing. The notice shall include the date, time and place of the hearing and a short statement of the issues to be decided.~~
- d) ~~The hearing shall proceed and the notice shall be delivered in accordance with Section 10-25 of the Illinois Administrative Procedure Act (Ill. Rev. Stat. 1991, ch. 127, par. 1010-25).~~
- e) ~~The Director shall appoint a hearing examiner to preside at the administrative hearing.~~
- f) ~~At the hearing both parties may present written and oral evidence. The provider may be represented by the person of his or her choice. The Department shall have the burden of proving that there was substantial evidence of non-compliance with these standards. Substantial evidence is such evidence as a reasonable person can accept as adequate to support a conclusion.~~

g) Evidence

- 1) ~~The hearing officer shall not be bound by the rules of evidence or procedure but shall conduct the proceedings in a manner that ensures both parties are allowed to present their evidence and arguments fully and freely.~~
- 2) ~~Any party or representative may ask questions of any other party or witness, and the hearing officer may ask questions of any other party or witness. Questions impeaching the witness's character or credentials shall be improper.~~
- h) ~~The hearing officer shall issue his or her written decision within five working days after the hearing. The decision shall include a statement of facts about the appeal and the hearing officer's conclusions. Copies of the decision shall be sent to the provider and~~

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- the Department--
- i) if--the provider is not satisfied with the hearing officer's decision, it may request a review of the decision by the Director--or--designee--the request--must be made in writing to the Director--no later than 10 working days after receipt of--the decision--and must set out--the reasons why the provider believes the decision was incorrect;
- j) Upon receipt of the request for review, the Director or designee shall review--the hearing officer's--decision--and copies of all documents considered at the hearing--The Director shall uphold the decision--if he or she determines that the procedures set out in this Section were properly followed and that the decision was supported by--substantial evidence;
- k) The Director's--or--designee's--decision--shall constitute--a--final administrative decision;
- l) if--the provider does not submit a request for a hearing or, if after conducting the hearing, the Department determines that the certificate should be denied, the Department shall issue an order to--that--effect within 30 days;
- m) if--the Department's--decision--is--to deny the certificate, it shall specify that the order takes effect upon receipt by the provider--that the program--shall--not operate during the pendency of any proceeding for judicial review of the Department's decision under the--provisions of the Administrative Review Law, except under court order;

(Source: Amended at 21 Ill. Reg. 2195, effective 11/1/91)

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- 1) Heading of the Part: Minimum Standards for Licensure of Community Residential Alternatives
- 2) Code Citation: 59 Ill. Adm. Code 113
- 3) Section Number: Adopted Action:
113.30 Amended
- 4) Statutory Authority: Implementing the Community Residential Alternatives Licensing Act [210 ILCS 140] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104], Section 5 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5] and Section 5 of the Community Residential Alternatives Licensing Act [210 ILCS 140/5].
- 5) Effective Date of Adopted Rules: February 1, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these rules contain incorporations by reference? This rulemaking does not incorporate by reference any federal statutes or regulations or rules of another State agency.
- 8) Date Filed in Agency's Principal Office: January 31, 1997
- 9) Notice(s) of Proposal Published in Illinois Register: 20 Ill. Reg. 13497 (October 18, 1996).
- 10) Has JCAR issued a Statement of Objections to these rules? No. JCAR has not issued an objection to these rules.
- 11) Difference(s) between proposal and final version: **The Department made the following changes in response to recommendations from the Administrative Code Division:** The Administrative Code Division did not recommend any changes.
- The Department made the following changes in response to recommendations from the Joint Committee on Administrative Rules:** All changes recommended by the Joint Committee during the first notice period were made.
- The Department made the following changes in response to public comments:** The Department did not receive any public comments.
- The Department made the following technical changes:** The source notes were revised to read "21 Ill. Reg."
- 12) Have all the changes agreed upon by the agency and JCAR been made as

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indicated in the agreement letter issued by JCAR? No agreement letter was issued.

- 13) Will these rules replace an emergency rule? No
- 14) Are there any amendments pending on this Part? Yes

Section Numbers	Proposed Action	IL Register Citation
113.10	Amended	21 Ill. Reg. 1545
113.51	New Section	20 Ill. Reg. 16025

- 15) Summary and Purpose of Rules: Parts 113, 115 and 119 are being amended to reference the Department's rule at 59 Ill. Adm. Code 101.70 (20 Ill. Reg. 7276, May 24, 1996). With the adoption of 59 Ill. Adm. Code 101.70, the hearings and appeals procedures in 59 Ill. Adm. Code 113, 115 and 119 are no longer necessary. Section 113.30, when adopted, will cross reference the hearings and appeals procedures in 59 Ill. Adm. Code 101.70.

- 16) Information and questions regarding this adopted amendment shall be directed to:

Judith Hollenberg
Rules Administrator
Illinois Department of Mental Health
and Developmental Disabilities
401 Stratton Building
Springfield IL 62765
Telephone (217)785-3313
FAX (217)524-8920

The full text of the Adopted Amendment(s) begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 59: MENTAL HEALTH
CHAPTER I: DEPARTMENT OF MENTAL HEALTH
AND DEVELOPMENTAL DISABILITIES

PART 113

MINIMUM STANDARDS FOR LICENSURE OF
COMMUNITY RESIDENTIAL ALTERNATIVES

Section	Definitions
113.10	Incorporation by reference
113.15	Application for license
113.20	Complaint procedures
113.30	Departmental inspections
113.40	Monitoring and evaluation
113.45	Administrative policies and practices
113.50	Accreditation
113.55	Personnel and staffing policies
113.60	Site, physical plant standards
113.70	Physical plant services
113.80	Food and nutrition services
113.90	Admission/discharge
113.100	Resident rights
113.110	Resident records
113.120	Resident living program
113.130	Unusual occurrences
113.140	

AUTHORITY: Implementing and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104], Section 5 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5] and Section 5 of the Community Residential Alternatives Licensing Act [210 ILCS 140/5].

SOURCE: Emergency rule adopted and codified at 6 Ill. Reg. 7239, effective June 8, 1982, for a maximum of 150 days; adopted at 7 Ill. Reg. 1054, effective January 19, 1983; amended at 17 Ill. Reg. 21387, effective November 29, 1993; amended at 21 Ill. Reg. **2200**, effective ~~11/13/1994~~.

Section 113.30 Complaint procedures

- a) Any person, agency, association or governmental body may file a complaint with the Department alleging that a community residential alternative is in violation of the Community Residential Alternatives Licensing Act or this Part of the rules promulgated pursuant to the Act.
- b) The Department may conduct an investigation in order to determine if the community residential alternative is in compliance. If, based on

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the results of its investigation, the Department determines that the community residential alternative is not in compliance, it shall promptly serve a notice of violation on upon the licensee. Such notice of violation shall comply with the requirements described in subsection (2) of Section 8 of the Act. The Department may notify the complainant of its findings.

c) The complaint, a copy of the complaint, or a record published, released or otherwise disclosed to the community residential alternative shall not disclose the name of the complainant unless the complainant consents in writing to the disclosure or the investigation results in a judicial proceeding, or unless disclosure is essential to the investigation.

d) A licensee or its agents shall not transfer, discharge, evict, harass, dismiss, or retaliate against a resident or an employee or agent who files a complaint under Section 10 of the Act or who testifies under Section 12 of the Community-Residential-Alternatives-Licensing Act because of the complaint or testimony.

e) Any person participating in good faith in the making of a complaint, or in the investigation of such a complaint shall not be deemed to have violated any privileged communication and shall have immunity from any liability, civil, criminal or that otherwise might result as a consequence of making such a complaint. The good faith of any person making a complaint or participating in the investigation of such a complaint shall be presumed. [Section 10 of the Act]

f) Final administrative decisions shall be subject to judicial review exclusively as provided in the Administrative Review Law [735 ILCS 5/Art. III] (Ill-Rev-Stat--1981-ch--110--par--3-1017--et--seq--), except that any petition for judicial review of Department action under the Community-Residential-Alternatives-Licensing Act shall be filed within 15 days after receipt of notice of the final agency determination.

g) The term "administrative decision" has the meaning ascribed to it in Section 3-101.1 of the Administrative Review Law. The court may stay enforcement of the Department's final decision if a showing is made that there is a substantial probability that the party seeking review will prevail on the merits and will suffer irreparable harm if the stay is not granted, and that the facility will meet the requirements of the Community-Residential-Alternatives-Licensing Act and the rules promulgated under the Act during such stay. [Section 12(3) of the Act]

h) g Hearings shall be conducted in accordance with the Department's rule at 59 Ill. Adm. Code 101.70, Conduct of hearings and appeals. The Director--or--hearing-officer--may--compel--by--subpoena--or--subpoena--duces--tecum--the--attendance--and--testimony--of--witnesses--and--the--production--of--books--and--papers--and--administer--oaths--to--witnesses--All--subpoenas--issued--by--the--Director--or--hearing--officer--may--be--served--as--provided--for--in--civil--actions--The--fees--of--witnesses--for--attendance--and--travel--shall--be--the--same--as--the--fees--for--witnesses--before--the--circuit--court

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and--shall--be--paid--by--the--party--to--such--proceeding--at--whose--request--the--subpoena--is--issued--if--such--subpoena--is--issued--at--the--request--of--the--Department--or--by--a--person--proceeding--in--forma--pauperis--the--witness--fee--shall--be--paid--by--the--Department--as--an--administrative--expense--The--Department--shall--inform--a--complainant--of--its--findings--within--10--days--of--its--determination--unless--otherwise--indicated--by--the--complainant--and--the--complainant--may--direct--the--Department--to--send--a--copy--of--such--findings--to--another--person--The--notice--of--findings--shall--include--a--copy--of--the--written--determination--the--correction--order--if--any--the--warning--notice--if--any--and--the--state--license--exit--form--on--which--the--violation--is--listed--

j) A--written--determination--correction--order--or--warning--notice--concerning--a--complaint--shall--be--available--for--public--inspection--but--the--name--of--the--complainant--or--resident--shall--be--disclosed--without--the--resident's--or--the--complainant's--consent--The--resident--and/or--guardian--shall--be--permitted--to--present--grievances--on--behalf--of--him/herself--and--others--

(Source: Amended at 21 Ill. Reg. 2200 =, effective FEB 01 1977)

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NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Standards and Licensure Requirements for Community-Integrated Living Arrangements

2) Code Citation: 59 Ill. Adm. Code 115

3) Section Number: Adopted Action:
115.470 Amended

4) Statutory Authority: Implementing the Community-Integrated Living Arrangements Licensing and Certification Act [210 ILCS 135] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5].

5) Effective Date of Adopted Rules: FEB 01 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Do these rules contain incorporations by reference? This rulemaking does not incorporate by reference any federal statutes or regulations or rules of another State agency.

8) Date Filed in Agency's Principal Office: January 31, 1997

9) Notice(s) of Proposal Published in Illinois Register: 20 Ill. Reg. 13502 (October 18, 1996).

10) Has JCAR issued a Statement of Objections to these rules? No JCAR has not issued an objection to these rules.

11) Difference(s) between proposal and final version: The Department made the following changes in response to recommendations from the Administrative Code Division: The Administrative Code Division did not recommend any changes.

The Department made the following changes in response to recommendations from the Joint Committee on Administrative Rules: All changes recommended by the Joint Committee during the first notice period were made.

The Department made the following changes in response to public comments: The Department did not receive any public comments.

The Department made the following technical changes: The source notes were revised to read "21 Ill. Reg."

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

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13) Will these rules replace an emergency rule? No

14) Are there any amendments pending on this Part? Yes

Section Numbers	Proposed Action	IL Register Citation
115.120	Amended	21 Ill. Reg. 1563
115.321	New Section	20 Ill. Reg. 16045
115.330	Amended	21 Ill. Reg. 1563
115.420	Amended	21 Ill. Reg. 1563

15) Summary and Purpose of Rules: Parts 113, 115 and 119 are being amended to reference the Department's rule at 59 Ill. Adm. Code 101.70 (20 Ill. Reg. 7276, May 24, 1996). With the adoption of 59 Ill. Adm. Code 101.70, the hearings and appeals procedures in 59 Ill. Adm. Code 113, 115 and 119 are no longer necessary. Section 115.470, when adopted, will cross reference the hearings and appeals procedures in 59 Ill. Adm. Code 101.70.

16) Information and questions regarding this adopted amendment shall be directed to:

Judith Hollenberg
Rules Administrator
Illinois Department of Mental Health
and Developmental Disabilities,
401 Stratton Building
Springfield IL 62765
Telephone (217)785-3313
FAX (217)524-8920

The full text of the Adopted Amendment(s) begins on the next page:

DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENT DISABILITIES

NOTICE OF ADOPTED AMENDMENTS

TITLE 59: MENTAL HEALTH
CHAPTER I: DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

STANDARDS AND LICENSURE REQUIREMENTS FOR COMMUNITY-INTEGRATED LIVING
ARRANGEMENTS
PART 115

SUBPART A: GENERAL PROVISIONS

- Section
115.100 Purpose
115.110 Incorporation by reference
115.120 Definitions

SUBPART B: SERVICE REQUIREMENTS

- Section
115.200 Description
115.210 Criteria for participation of individuals
115.215 Criteria for termination of individuals
115.220 Community support team
115.230 Interdisciplinary process
115.240 Medical services and medications
115.250 Individual rights and confidentiality

SUBPART C: GENERAL AGENCY REQUIREMENTS

- Section
115.300 Environmental management of living arrangements
115.310 Geographic location of community-integrated living arrangements
115.320 Administrative requirements
115.325 Monitoring and evaluation
115.330 Accreditation

SUBPART D: LICENSURE REQUIREMENTS

- Section
115.400 Applicability
115.410 Issuing a license and period of licensure
115.420 License application
115.430 Application acceptance and verification
115.440 Non-transferability of license
115.450 Cessation of operations
115.460 License revocation
115.470 Hearings

APPENDIX A
Specific Level of Functioning Assessment and Physical Health
Inventory

DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENT DISABILITIES

NOTICE OF ADOPTED AMENDMENTS

AUTHORITY: Implementing the Community-Integrated Living Arrangements Licensure and Certification Act [210 ILCS 135] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5].

SOURCE: Adopted at 14 Ill. Reg. 10865, effective July 1, 1990; emergency amendment at 14 Ill. Reg. 20550, effective December 5, 1990, for a maximum of 150 days; emergency expired May 18, 1991; amended at 15 Ill. Reg. 8560, effective May 24, 1991; emergency amendment at 16 Ill. Reg. 2676, effective February 1, 1992, for a maximum of 150 days; emergency expired on June 30, 1992; amended at 17 Ill. Reg. 21434, effective November 29, 1993; amended at 21 Ill. Reg. 115.01000.

SUBPART D: LICENSURE REQUIREMENTS

Section 115.470 Hearings

- a) A license may not be denied or revoked unless the agency is given written notice of the grounds for the Department's action. Except when revocation of a license is based on imminent risk as described in Section 115.460(c), the agency program whose license has been revoked may operate and receive reimbursement for services during the period preceding the hearing, until such time as a final decision is made.
- b) Hearings shall be conducted in accordance with the Department's rule at 59 Ill. Adm. Code 101.70, Conduct of hearings and appeals. The agency may appeal the Department's proposed action by making a written request to the Director for a hearing within 15 days after receipt of the Department's written notice.
- c) The Department shall schedule a hearing within 20 working days of receipt of the request for appeal. The agency shall be notified by registered mail not less than 14 days prior to the date of the hearing. The notice shall include the date, time and place of the hearing and a short statement of the issues to be decided.
- d) The hearing shall be conducted by a hearing officer authorized by the Director to conduct such hearings.
- e) At the hearing, both parties may present written and oral evidence. The Department shall have the burden of proving that there was substantial evidence of non-compliance with these standards. Substantial evidence is such evidence as a reasonable person can accept as adequate to support a conclusion if it consists of more than a scintilla of evidence but somewhat less than a preponderance. The hearing officer shall issue his or her written decision within five working days after the hearing. The decision shall include a statement of facts about the appeal and the hearing officer's conclusions. Copies of the decision shall be sent to the agency and the Department.
- g) If the agency is not satisfied with the hearing officer's decision, it

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may request a review of the decision by the Director or designee. The request must be made in writing to the Director no later than 10 working days after receipt of the decision.

h) Upon receipt of the request for review, the Director or designee shall review the hearing officer's decision and copies of all documents considered at the hearing. Within 20 working days of receipt of the request for review, the Director or designee shall issue a written decision upholding or reversing the hearing officer's decision. Copies of the decision shall be sent to the Department and the agency.

i) The Director or designee's decision shall constitute a final administrative decision.

j) If the agency does not request a hearing or if after conducting a hearing, the Department determines that the license should be denied or revoked, the Department shall issue an order to that effect.

k) If the Department's order is to deny or revoke the license, it shall specify that the order takes effect upon receipt by the agency, and that living arrangements shall not operate during the pendency of any proceeding for judicial review of the Department's decision, except under court order.

(Source: Amended at 21 Ill. Reg. 2205, effective 11/1/97)

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NOTICE OF ADOPTED AMENDMENT(S)

- 1) Heading of the Part: Treatment and Habilitation Services
- 2) Code Citation: 59 Ill. Adm. Code 112
- 3) Section Number: Adopted Action:
112.5 New Section
112.30 Amended
- 4) Statutory Authority: Implementing Sections 3-207, 3-903, 3-910, 4-209, 4-312, 4-704 and 4-709 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/3-207, 3-903, 3-910, 4-209, 4-312, 4-704 and 4-709] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5].
- 5) Effective Date of Adopted Rules: February 1, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these rules contain incorporations by reference? This rulemaking does not incorporate by reference any federal statutes or regulations or rules of another State agency.
- 8) Date Filed in Agency's Principal Office: January 31, 1997
- 9) Notice(s) of Proposal Published in Illinois Register: 20 Ill. Reg. 13597 (October 18, 1996).
- 10) Has JCAR issued a Statement of Objections to these rules? No. JCAR has not issued an objection to these rules.
- 11) Difference(s) between proposal and final version: **The Department made the following changes in response to recommendations from the Administrative Code Division:** The Administrative Code Division did not recommend any changes.

The Department made the following changes in response to recommendations from the Joint Committee on Administrative Rules: All changes recommended by the Joint Committee during the first notice period were made.

The Department made the following changes in response to public comments: The Department did not receive any public comments.

The Department made the following technical changes: The source notes were revised to read "21 Ill. Reg."
- 12) Have all the changes agreed upon by the agency and JCAR been made as

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indicated in the agreement letter issued by JC&R? No agreement letter was issued.

13) Will these rules replace an emergency rule? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rules: Section 112.5 is being added to simplify the use of incorporation by reference in this Part.

Section 112.30 is being amended to clarify the requirements for the dental examination which is to be performed on persons admitted to Department facilities.

In addition, technical changes have been made to update references to Department forms and statutory citations.

16) Information and questions regarding this adopted amendment shall be directed to:

Judith Hollenberg
Rules Administrator
Illinois Department of Mental Health and
Developmental Disabilities
401 Stratton Building
Springfield IL 62765
(217)785-3313
FAX (217)524-8920

The full text of the Adopted Amendment(s) begins on the next page:

DEPARTMENT OF MENTAL HEALTH
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NOTICE OF ADOPTED AMENDMENT(S)

TITLE 59: MENTAL HEALTH
CHAPTER 1: DEPARTMENT OF MENTAL HEALTH
AND DEVELOPMENTAL DISABILITIES

PART 112

TREATMENT AND HABILITATION SERVICES

Section

112.5 Incorporation by reference

112.10 Utilization review hearings

112.20 Admission, treatment and habilitation of mentally retarded persons
112.30 Recipient physical and dental examinations and informed consent for services

112.40 Release and burial of deceased recipients

112.50 Tuberculosis control program (Repealed)

112.70 Protection of human subjects

112.80 Use of narcotics and psychotropic drugs in Department facilities

112.90 Administration of psychotropic drugs

AUTHORITY: Implementing Sections 3-207, 3-405, 3-903, 3-910, 4-209, 4-312, 4-704 and 4-709 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/3-207, 3-405, 3-903, 3-910, 4-209, 4-312, 4-704 and 4-709] and Sections 5.1 and 7 of the Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5.1 and 7] and authorized by Section 5-104 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/5-104] and Section 5 of Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/5].

SOURCE: Release and Burial of Deceased Patients adopted October 1, 1989; Tuberculosis Control Program adopted May 28, 1975; Protection of Human Subjects adopted October 2, 1973; Use of Narcotics and Psychotropic Drugs in Department Facilities adopted July 1, 1974; amended at 3 Ill. Reg. 28, p. 90, effective July 16, 1979; amended at 4 Ill. Reg. 17, p. 234, effective April 15, 1980; Administration of Psychotropic Drugs adopted June 14, 1974; amended at 3 Ill. Reg. 28, p. 100, effective July 16, 1979; amended at 4 Ill. Reg. 17, p. 234, effective April 15, 1980; rules merged and codified at 5 Ill. Reg. 10725; amended at 9 Ill. Reg. 12785, effective August 1, 1985; amended at 10 Ill. Reg. 11894, effective July 1, 1986; amended at 13 Ill. Reg. 20344, effective December 19, 1989; amended at 21 Ill. Reg. ~~2205~~ ²²⁰⁵, effective ~~FEB 01 1997~~.

Section 112.5 Incorporation by reference

Any rules or standards of an agency of the United States or of a nationally recognized organization or association that are incorporated by reference in this Part are incorporated as of the date specified and do not include any later amendments or editions.

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(Source: Added at 21 Ill. Reg. 2205, effective 1-10-94)

Section 112.30 Recipient physical and dental examinations and informed consent for services

To provide the highest possible quality of humane and rehabilitative care and treatment for all recipients in the care of the Department and to promote public health and safety, all recipients in Department facilities shall receive comprehensive physical and dental examinations.

a) Physical examination

- 1) Each person admitted to the Department in accordance with the Code [405 ILCS 5] ~~shall~~ **shall** have a thorough physical examination on admission ~~and annually thereafter (see Section 1-119(2) of the Code).~~ **et seq** Persons with mental illness shall be examined within 24 hours in accordance with the Mental Health Standards (Joint Commission on Accreditation of Healthcare Organizations (JCAHO), One Renaissance Boulevard, Oakbrook Terrace, Illinois 60681, 1995) or the Accreditation Manual for Hospitals (Joint Commission on Accreditation of Healthcare Organizations (JCAHO), One Renaissance Boulevard, Oakbrook Terrace, Illinois 60681, 1996). ~~In accordance with standards of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), mentally ill persons shall be examined within 24 hours (Consolidated Standards Manual published by JCAHO, July 17, 1989, with no later editions or amendments or Accreditation Manual for Hospitals, January 17, 1989, with no later editions or amendments).~~ In accordance with 77 Ill. Adm. Code 350 (Intermediate Care for the Developmentally Disabled Facilities Code) (ICFDD), persons with developmental disabilities ~~developmentally disabled persons~~ shall be examined within 72 hours. This requirement may be waived in the judgment of the admitting physician only if such an examination was done within three days prior to admission and the results are received by the facility and are entered into the recipient's clinical record.

A) The examination shall include an evaluation of the recipient's condition, including height, weight, blood pressure and vital signs, diagnoses, plan of medical treatment, recommendations for care, including personal care needs, treatment orders, permission for participation in activity programs, as appropriate, and any other examinations that are required by the accrediting agencies cited in subsection (a)(1) of this Section **above**, as well as the Standards for Services for People with Developmental Disabilities ~~published by the Accreditation Council for on Services for People with Developmental Disabilities~~

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(Council) 8100 Professional Place, Suite 204, Landover, Maryland 20785, 1990) ~~ACBB~~ **ACBB**, 1997 ~~with no later editions or amendments.~~ The examination shall also include a visual check of the oral cavity, including lips, teeth, gums and tongue. Referral to a dental hygienist or dentist shall be completed if clinically indicated. Plans of medical treatment, recommendations for care and treatment orders shall be recorded in the recipient's individualized services plan as defined in Sections 3-209 and 4-309 of the Code.

- B) The presence or absence of communicable or infectious diseases shall be noted by the examining physician with recommendations given for curing or controlling the disease, as applicable. Communicable or infectious diseases shall be reported in accordance with Department of Public Health rules:
- i) 77 Ill. Adm. Code 690 (Control of Communicable Diseases Code);
 - ii) 77 Ill. Adm. Code 693 (Control of Sexually Transmissible Diseases Code); and
 - iii) 77 Ill. Adm. Code 697 (AIDS Confidentiality and Testing Code).

2) An electrocardiogram (EKG) shall be provided within three days after of admission, excluding Saturdays, Sundays, and holidays, for any recipient age 40 or over, except that an admission EKG need not be repeated on readmission if one was provided within the previous 12 months during a prior admission, unless otherwise clinically indicated by the examining physician.

3) A Papanicolaou (Pap) smear uterine cytologic examination for cancer shall be offered to all female recipients admitted or readmitted to a Department facility who are 20 years of age and over, or under 20 years of age if sexually active, unless the examining physician considers the examination contraindicated, the examination has been performed within the previous year and the results were normal, or the examination is refused by the recipient on the counsel of the examining physician or on her own judgment. Results of tests performed outside the facility shall be obtained and entered into the recipient's clinical record. A Pap smear uterine cytologic examination shall be offered and recommended annually. The examining physician shall document in the recipient's clinical record the results of the Pap smear, whether or not the test was contraindicated, or that the recipient refused the examination.

4) In the event that the recipient's psychiatric, behavioral, or medical condition is such that the physical examination as described in subsection (a)(1)(A) of this Section cannot be completed within the times stated in subsection (a)(1) of this Section **above**, the examining physician may extend the time frame

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until the recipient's condition has improved to allow the completion of the examination. Every 72 hours the examining physician shall record in the recipient's clinical record the condition preventing a complete physical examination and the continuation of the recipient's condition until the physical examination has been completed. If the recipient's physical examination is delayed in excess of 30 days, such delay shall require notice from the examining physician to the facility director, and a special conference of the treatment team to identify a course of action designed to protect the recipient from inappropriate treatment based on inadequate information.

b) Dental examination

- 1) Persons with developmental disabilities ~~Each person--admitted--to the--Department--in--accordance--with--the--code~~ shall have a comprehensive diagnostic dental examination, including extra- and intra-oral examinations within 30 calendar days after admission, unless the admitting physician waives this requirement. The admitting physician shall record the reason for the waiver in the recipient's clinical record.

A)† The examination report shall include an evaluation of the recipient's dental condition, diagnoses, plan of treatment, recommendations for oral health care and dental hygiene, and treatment orders.

- B)‡ The physician may extend the time for conduct of the dental examination; however, the physician must record the reason for the extension in the recipient's clinical record. If the recipient's dental examination is delayed in excess of 30 days, such delay shall require notice from the examining physician to the facility director, and a special conference of the treatment team to identify a course of action designed to protect the recipient from inappropriate treatment based on inadequate information.

- 2) Persons with mental illness shall have a comprehensive diagnostic dental examination, including extra- and intra-oral examinations, within six months after admission. If the recipient's condition is such that a dental examination is necessary less than six months after admission, a referral to a dentist or dental hygienist shall be made.

c) Schedule for examinations and treatment plan

- 1) Physical examinations shall be repeated annually. In accordance with Section 7 of ~~"AN ACT CODIFYING THE POWERS AND DUTIES OF THE~~ Department of Mental Health and Developmental Disabilities Act [20 ILCS 1705/7],⁴ dental examinations shall be repeated every 18 months for ~~mentally-ill~~ recipients with mental illness while residing in Department facilities. In accordance with the Standards for Services for People with Developmental Disabilities (Accreditation Council ~~for~~ on Services for People with

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Developmental Disabilities, 8100 Professional Place, Suite 204, Landover, Maryland 20785, 1990 1987, ~~with no later--editions--or amendments~~† dental examinations shall be repeated annually for ~~developmentally--disabled~~ recipients with developmental disabilities while residing in Department facilities. These examinations shall be performed by a licensed dentist or a registered hygienist and shall be independent of periodic reviews such as the use of medications, blood levels of drugs and gingivitis checks.

- 2) If a recipient has been in the facility or is transferred from another facility, the receiving facility shall perform comprehensive diagnostic examinations if the individualized services plan does not provide a treatment plan for medical and dental services for the recipient.

- 3) On ~~upon~~ completion of the comprehensive diagnostic examinations, a treatment plan for any medical and dental services shall be established as part of the recipient's individualized services plan.

A) Such a plan will include procedures to address the special dental care needs of recipients who receive medication known to promote tooth decay or gum disease.

B) Such a plan will include a procedure to address the prevention and treatment of tardive dyskinesia.

d) Informed consent

Informed consent is defined as permission for a procedure freely granted by a person or persons authorized by law to give consent to services and treatment plans, i.e., the recipient, guardian (if the recipient is under guardianship) or parent (if the recipient is under age 18). Informed consent is based on the full disclosure to the authorized person of the information required to make the decision intelligently, including a description of the procedure, the possible benefits and the risks and the alternative(s) to the procedure.

- 1) For the purposes of this Section, the person(s) authorized to give consent shall be informed of the treatment plan for medical and dental services, and shall be provided with the information necessary to give informed consent. The documented agreement to the individualized services plan will obviate the need for specific agreement to the treatment plan for medical and dental services.

2) The person(s) authorized to give consent shall be informed of the method whereby he or she can exercise the right to refuse medical and dental services.

3) For services listed below, the person(s) authorized to give consent shall be informed that if an objection is not received prior to performance of services, consent shall be implied for the treatment plan:

- A) Dental - preventive procedures (such as prophylaxis, topical

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fluoride, periodontal scaling, and gingival curettage,) and restorative procedures (such as, fillings and local anesthesia).

B) Medical - non-psychotropic medication, endoscopy not involving anesthesia, exercise regimens and sutures.

4) A written consent, signed by the person authorized to give consent, shall be required for all other procedures, including general anesthesia, surgery (both medical and dental) and radiation therapy. The written consent shall be specific to the procedure or course of therapy to be used and shall only apply to a particular procedure performed at a particular time or to a course of therapy of which the procedure is a part. An additional consent shall be obtained for each subsequent procedure. A consent authorizing a specific Department staff person to perform a procedure is specific to that staff person.

5) If consent is denied by the person authorized to consent, medical or dental procedures shall not be provided except pursuant to subsection (d)(6) of this Section ~~below~~. Such refusal shall be documented in the recipient's clinical medical record.

6) In accordance with Section 2-111 of the Code, *when a medical or dental emergency exists, if the physician or licensed dentist who examines the recipient determines that the recipient is not capable of giving informed consent, essential medical or dental procedures may be provided without consent. No physician nor licensed dentist shall be liable for a non-negligent good faith determination that a medical or dental emergency exists.* The nature of the emergency shall be documented in the recipient's clinical medical record and notice shall be given to the recipient, the legal guardian or parent(s).

e) Communicating examination findings
Significant or negative examination findings obtained from the recipient's physical examination results of laboratory tests as they become known shall be communicated to the recipient or, if the recipient is under guardianship, to the recipient's guardian, or, if the recipient is a minor to the recipient's parent or guardian. The fact that such findings were communicated to the recipient, parent or guardian shall be documented in the recipient's clinical medical record.

(Source: Amended at 21 Ill. Reg. 2205, effective 1-1-11)

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Falconry and the Captive Propagation of Raptors

2) Code Citation: 17 Ill. Adm. Code 1590

3) Section Numbers: Adopted Action:

1590.20

1590.80

1590.110

Amendments

Amendments

4) Statutory Authority: Implementing and authorized by Sections 1.3, 1.4, 2.1, 2.2, 2.4, 2.6, 2.7, 2.13, 2.18, 2.20, 2.27, 2.28, 2.29, 2.30, 3.5 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 2.1, 2.2, 2.4, 2.6, 2.7, 2.13, 2.18, 2.20, 2.27, 2.28, 2.29, 2.30, 3.5 and 3.36] and Section 5 of the Illinois Endangered Species Protection Act [520 ILCS 10/5].

5) Effective Date of Rulemaking: February 3, 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date filed in Agency's Principal Office: February 3, 1997

9) Notice of Proposal Published in Illinois Register: November 22, 1996, 20 Ill. Reg. 14971

10) Has JCAR issued a Statement of Objections to these rules? No

11) Difference(s) between proposal and final version:

In Section 1590.20, the subsection labels were removed and the definitions placed in alphabetical order.

In Section 1590.20, Falconry, "The" was placed in lower-case.

In Section 1590.20, Endangered Species, "[520 ILCS 10/1 et seq.]" was changed to "[520 ILCS 10]".

In Section 1590.20, Threatened Species, "Protection" was added prior to "Act of 1973".

In Section 1590.20, Fish and Wildlife Service, a period was added at the end of the sentence.

In Section 1590.80(a), "two" was changed to "2", "their" was changed to "his/her" and "three" was changed to "3".

In Section 1590.80(b), "two" was changed to "2" and "July 15, 1991" was

DEPARTMENT OF NATURAL RESOURCES

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changed to "December 23, 1993".

In Section 1590.80(c), "five" was changed to "5"; "three" was changed to "3"; "two" was changed to "2"; "twelve" was changed to "12"; "September 14, 1989" was changed to "December 23, 1993"; "No incorporations" was changed to "no incorporations"; and "December 29, 1983" was changed to "January 6, 1984".

In Section 1590.80(e), "seventy-five (\$75) dollars" was changed to "\$75" and "three" was changed to "3".

In Section 1590.80(f), "days of the" was changed to "days after the"; "five" was changed to "5" and "days of receipt" was changed to "days after receipt".

In Section 1590.110, "Federal" was changed to "federal" and "wildlife code" changed to "Wildlife Code".

Section 1580.110(b) and (c), all listed species were changed to lower case letters, with the exception of "Hungarian".

In Section 1590.110(d), "October 4, 1985" was changed to "August 18, 1995" and the listed species were placed in lower-case letters.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: This Part was amended to provide a framework for sponsors to discontinue sponsorship of an apprentice class permittee during the 2-year apprenticeship; specify bag and possession limits for falconry hunting seasons; limit apprentice class permittees to possession of only passage raptors; and to clarify that apprentice class permittees may not raise raptors in captivity.

16) Information and questions regarding these adopted amendments shall be directed to:

Jack Price
Department of Natural Resources
524 S. Second Street, Room 430
Springfield, IL 62701-1787
217/782-1809

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED AMENDMENTS

TITLE 17: CONSERVATION
CHAPTER I: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER d: FORESTRY

PART 1590
FALCONRY AND
THE CAPTIVE PROPAGATION OF RAPTORS

Section

- 1590.10 Establishment of Rules and Regulations
- 1590.20 Definitions for the Purpose of these Regulations
- 1590.30 Provisions of Rules and Regulations (Repealed)
- 1590.40 Violation of Rules (Repealed)
- 1590.50 Permit and License Requirements
- 1590.60 Examination and Application Procedures
- 1590.70 Inspection of Facilities and Equipment
- 1590.80 Falconry Permits - Class and Types
- 1590.90 Capturing of Raptors - Regulations
- 1590.100 Transfer, Temporary Care and Reporting Requirements
- 1590.110 Hunting Seasons for Falconers
- 1590.120 Special Provisions
- 1590.130 Violation of Rules

APPENDIX A Migratory Bird Acquisition and Disposition Report

AUTHORITY: Implementing and authorized by Sections 1.3, 1.4, 2.1, 2.2, 2.4, 2.6, 2.7, 2.13, 2.18, 2.20, 2.27, 2.28, 2.29, 2.30, 3.5 and 3.36 of the Wildlife Code [520 ILCS 5/1.3, 1.4, 2.1, 2.2, 2.4, 2.6, 2.7, 2.13, 2.18, 2.20, 2.27, 2.28, 2.29, 2.30, 3.5 and 3.36] and Section 5 of the Illinois Endangered Species Protection Act [520 ILCS 10/5].

SOURCE: Amendment filed November 17, 1977, effective January 1, 1978; emergency amendment at 5 Ill. Reg. 9161, effective September 1, 1981, for a maximum of 150 days; amended at 6 Ill. Reg. 6207, effective May 14, 1982; amended at 10 Ill. Reg. 16627, effective September 24, 1986; amended at 11 Ill. Reg. 11350, effective June 9, 1987; amended at 12 Ill. Reg. 12807, effective July 26, 1988; amended at 13 Ill. Reg. 10567, effective June 16, 1989; amended at 14 Ill. Reg. 6088, effective April 17, 1990; amended at 15 Ill. Reg. 32, effective December 24, 1990; amended at 15 Ill. Reg. 16681, effective October 31, 1991; amended at 16 Ill. Reg. 11052, effective June 30, 1992; amended at 18 Ill. Reg. 14700, effective September 19, 1994; recodified by changing the agency name from Department of Conservation to Department of Natural Resources at 20 Ill. Reg. 9389; amended at 21 Ill. Reg. 9318, effective

FEB 03 1993

Section 1590.20 Definitions for the Purpose of these Regulations

Bred in Captivity or Captive-Bred-refers to raptors, including eggs, hatched in captivity from parents that mated or otherwise transferred

DEPARTMENT OF NATURAL RESOURCES

NOTICE OF ADOPTED AMENDMENTS

gametes in captivity.

Department - the Department of Natural Resources.

Endangered Species - any species or subspecies contained in the federal endangered species list issued pursuant to the Federal Endangered Species Protection Act of 1973 (16 U.S.C. 1531 et seq.) and its amendments plus other species or subspecies as the Illinois Endangered Species Protection Act [520 ILCS 10] deems to be in danger of extinction (reference 17 Ill. Adm. Code 1010).

Falconer - a person who engages in the sport of falconry.

Falconry - the sport of taking or attempting to take any species of animal by means of a trained raptor.

Fish and Wildlife Service - the United States Department of Interior - Fish and Wildlife Service.

Imping - the method of repairing broken flight or tail feathers.

Marker - a seamless, or other numbered, non-reusable marker supplied by the Fish and Wildlife Service.

Raptor - any bird of the Orders Falconiformes or Strigiformes which includes all hawks, eagles, falcons, kites, harriers, ospreys, and owls.

Replacement Raptor - a raptor obtained from the wild to replace one which has died in captivity, has escaped, or has been lawfully released to the wild.

Threatened Species - any species or subspecies likely to become an endangered species or subspecies in the foreseeable future pursuant to Federal Endangered Species Protection Act of 1973 and Illinois Endangered Species Protection Act.

a) Falconry - The sport of taking or attempting to take any species of animal by means of a trained raptor.

b) Falconer - a person who engages in the sport of falconry.

c) Raptor - any bird of the Orders Falconiformes or Strigiformes which includes all hawks, eagles, falcons, kites, harriers, ospreys, and owls.

d) Endangered Species - any species or subspecies contained in the federal endangered species list issued pursuant to the Federal Endangered Species Protection Act of 1973 (16 U.S.C. 1531 et seq.) and its amendments plus other species or subspecies as the Illinois Endangered Species Protection Act (520 ILCS 10) (Ill. Rev. Stat. 1907

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ch: 07 par: 331 et seq: } deems to be in danger of extinction (reference 17 Ill. Adm. Code 1010).

e) Threatened Species - any species or subspecies likely to become an endangered species or subspecies in the foreseeable future pursuant to Federal Endangered Species Protection Act of 1973 and Illinois Endangered Species Protection Act.

f) Department - the Department of Natural Resources.

g) Fish and Wildlife Service - the United States Department of Interior - Fish and Wildlife Service.

h) Imping - the method of repairing broken flight or tail feathers.

i) Marker - a seamless, or other numbered, non-reusable marker supplied by the Fish and Wildlife Service.

j) Replacement Raptor - a raptor obtained from the wild to replace one which has died in captivity, has escaped, or has been lawfully released to the wild.

k) Bred in Captivity or Captive Bred - refers to raptors, including eggs, hatched in captivity from parents that mated or otherwise transferred gametes in captivity.

(Source: Amended at 21 Ill. Reg. 2218, effective FEB 03 1997)

Section 1590.80 Falconry Permits - Class and Types

a) Apprentice Class. Permittees shall be at least 14 years of age, and must serve an apprenticeship under a general or master class permittee for the first two years in which an apprentice permit is held. Sponsors who wish to withdraw sponsorship of an apprentice class permittee must notify the apprentice via a registered letter and provide the Department with a copy of the letter and receipt showing the letter was received; the apprentice shall have 45 days from the date of the letter to secure another sponsor or shall forfeit his/her permit. Permittees may possess no more than one raptor, and may obtain no more than one replacement raptor during any 12-month period. Permittees may possess only a passage an American kestrel, red-tailed hawk, or red-shouldered hawk taken from the wild in accordance with federal regulations (50 CFR 21.29, effective September 14, 1989) and this Part. Sponsors may not have more than three apprentices at any one time.

b) General Class. Permittees must be at least 18 years of age and have at least two years of licensed falconry experience at the apprentice class level. Permittees shall possess no more than two raptors, and may not obtain more than two replacement raptors during any 12-month period. Permittees shall not take, transport, or possess any golden eagle. Permittees shall not take any species or subspecies listed as endangered or threatened by the U.S. Fish and Wildlife Service (50 CFR 17, effective December 23, 1993 July 15, 1994) (no incorporation in this Part includes later amendments or editions), but may possess

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c) captive-bred raptors of such species as part of the two-bird limit. Master Class. Permittees must have at least 5 ~~five~~ years of licensed falconry experience at the general class level. Permittees shall possess no more than 3 ~~three~~ raptors, and may not obtain more than 2 ~~two~~ replacement raptors during any 12-month period. Permittees shall not take any species or subspecies listed as endangered by the U.S. Fish and Wildlife Service, but may possess captive-bred raptors of such species as part of the three-bird limit (50 CFR 17.7, effective December 23, 1993 ~~January 17, 1989~~). Permittees shall not take, in any 12 ~~twelve~~-month period, as part of the three-bird limit, more than one raptor listed as threatened by the U.S. Fish and Wildlife Service and then only in accordance with this Part and federal regulations (50 CFR 17, effective December 23, 1993 ~~September 14, 1989~~) (no ~~no~~ incorporation in this Part includes later amendments or editions). Permittees may not take, transport or possess golden eagles for falconry purposes unless authorized in writing by the U.S. Fish and Wildlife Service (50 CFR 22.24, effective January 6, 1984 ~~December 29, 1989~~). (No incorporation in this Part includes later amendments or editions.)

d) Upon completing the requirements needed to enter the next highest class, a falconer may submit a written request for an upgrade to the Department. The Department shall confirm the completion of all requirements and grant the request upon approval from the U.S. Fish and Wildlife Service.

e) Captive Propagation. Unless this Part is more restrictive, federal regulations (50 CFR 21.30, effective September 14, 1989) shall govern the activities of Illinois Captive Propagation permittees. Raptors held for captive propagation purposes may be held only under permits from both the U.S. Fish and Wildlife Service and the Department. The initial fee for a captive propagation permit is seventy-five ~~75~~ dollars for 3 ~~three~~ years and must be renewed every 3 ~~three~~ years if raptors are to be possessed or held beyond the permit expiration date. A holder of an Illinois captive propagation permit must also be a holder of a general or master class an Illinois falconry permit. An Illinois captive propagation permit holder may transfer, purchase, sell, or barter raptors, raptor eggs, or raptor semen in accordance with federal regulations (50 CFR 21.30, effective September 14, 1989) (no incorporation in this Part includes later amendments or editions), this Part, and the laws of other jurisdictions in which these products are transferred, purchased, sold, or bartered. Nothing in this Part shall prevent a permittee from holding individual birds under the authority of both the falconry permit and the captive propagation permit at the same time within the numerical limits for the falconry permit.

1) Raptors shall not be cross-bred (hybridization) unless specific authorization is granted by the Department.

2) Raptors may be loaned for breeding purposes in accordance with Section 1590.100 of this Part.

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3) Markers shall be placed on all raptors used for captive propagation and all captive-produced raptors as directed by the Department or the U.S. Fish and Wildlife Service (50 CFR 21, effective September 14, 1989).

f) All raptors possessed under authority of an Illinois falconry permit must be identified by a marker. The loss or removal of any marker must be reported to the Department and the U.S. Fish and Wildlife Service (on U.S. Fish and Wildlife Service Form 3-186A) within 5 ~~five~~ working days after of the loss or removal. The band must be replaced by a marker provided by the Department. A U.S. Fish and Wildlife Service Form 3-186A must be filed within 5 days after of receipt of the replacement marker.

g) No person may possess a bald eagle, osprey, or any owl, except great-horned owls, for falconry purposes (~~1117-Rev--Stat--1991--ch. 617-par-2-4~~ [520 ILCS 5/2.4]).

h) The Department shall issue special use permits in accordance with 17 Ill. Adm. Code 520.

(Source: Amended at 21 Ill. Reg.

2218,

FEB 03 1997)

Section 1590.110 Hunting Seasons for Falconers

a) Falconers shall possess a valid hunting license, appropriate State and federal ~~Federal~~ stamps and abide by all Wildlife Code ~~wildlife-code~~ regulations.

b) The statewide seasons for harvesting the following game birds, game mammals, and fur-bearing mammals by falconry methods shall be:

1) Cock and hen pheasant, bobwhite quail, ~~hen-pheasant--Bobwhite~~ ~~cottontail~~ Hungarian (gray ~~gray~~) partridge, cottontail ~~partridge~~ ~~cottontail~~ and swamp rabbits, raccoon, opossum, skunk, gray fox ~~Swamp-Rabbits--Raccoon--Opossum--Skunk--Gray-Fox~~, and red fox ~~Red~~

Fox: 1 October - 31 March

2) Fox and gray squirrels ~~gray-squirrels~~: 1 August - 31 January

c) No bag or possession limits shall be in effect for fur-bearing mammals. Bag and possession limits for fox and gray squirrels shall be the same as specified in 17 Ill. Adm. Code 690.20. Bag and possession limits for pheasant, bobwhite quail, Hungarian (gray) partridge, cottontail and swamp rabbits shall be the same as specified in 17 Ill. Adm. Code 530.20, except that hen pheasants may be included as part of bag and possession limits in accordance with 520 ILCS 5/2.6.

d) ~~ey~~ Seasons, bag limits and possession limits for harvesting the following migratory birds by falconry methods shall be in accordance with federal regulations (50 CFR 20.109, effective August 18, 1995 ~~October 4, 1985~~) (no incorporation in this Part includes later amendments or editions): Snipe, rails ~~Rails~~ (sora ~~Sora~~ and Virginia), ducks, geese, coot, woodcock, dove ~~Bucks--Geese--Coot~~

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~~Woodcock, Dove and Crow~~ Crow.

(Source: Amended at 21 Ill. Reg. 2218, effective 11/1/11)

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NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Assistance Standards
- 2) Code Citation: 89 Ill. Adm. Code 111
- 3) Section Numbers: 111.101
Adopted Action: Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: February 1, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these Amendments contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 1, 1997
- 9) Notice of Proposal Published in Illinois Register: October 4, 1996 (20 Ill. Reg. 13031)
- 10) Has JCAR issued a Statement of Objections to these Adopted Amendments? No
- 11) Differences between proposal and final version: No changes have been made in the text of the proposed amendments.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these Amendments replace Emergency Amendments currently in effect?
No
- 14) Are there any Amendments pending on this Part? No
- 15) Summary and Purpose of Amendments: This rulemaking increases the Department's Assistance Standards in accordance with the methodology established in Section 111.20. The Public Aid Code requires that the Assistance Standards be updated every January based on the increase in the Consumer Price Index (CPI) for the previous fiscal year. The CPI increase for the period June 1995 through June 1996 was 2.7%. The amount of the increase to be effective January 1, 1997, based on this methodology, is 2.7%.
- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Judy Umunna
Bureau of Rules and Regulations
Illinois Department of Public Aid

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100 South Grand Avenue East, Third Floor
Springfield, Illinois 62762
217/524-0081

The full text of the Adopted Amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 111

ASSISTANCE STANDARDS

Section

- 111.1 Incorporation By Reference
- 111.10 Establishment of Assistance Standards
- 111.20 Computation of the Assistance Standards
- 111.30 Amount of Assistance Standards (Family of 1)
- 111.40 Amount of Assistance Standards (Family of 2)
- 111.50 Amount of Assistance Standards (Family of 3)
- 111.60 Amount of Assistance Standards (Family of 4)
- 111.70 Amount of Assistance Standards (Family of 5)
- 111.80 Amount of Assistance Standards (Family of 6)
- 111.90 Amount of Assistance Standards (Family of 7 thru 18)
- 111.100 Amount of Assistance Standards (Child-Only Cases) (Repealed)
- 111.101 Current Assistance Standards
- 111.110 Adjustments Following Court Orders

AUTHORITY: Implementing Articles III, IV and VI and authorized by Sections 12-4.11 and 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV and VI, and 12-4.11 and 12-13].

SOURCE: Filed and effective December 30, 1977; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 10, 1983; amended at 8 Ill. Reg. 223, effective December 27, 1983; amended at 9 Ill. Reg. 295, effective January 1, 1985; amended at 10 Ill. Reg. 1920, effective January 17, 1986; amended at 11 Ill. Reg. 2297, effective January 16, 1987; amended at 12 Ill. Reg. 871, effective January 1, 1988; amended at 13 Ill. Reg. 85, effective January 1, 1989; amended at 13 Ill. Reg. 3840, effective March 10, 1989; amended at 15 Ill. Reg. 1029, effective January 23, 1991; amended at 16 Ill. Reg. 11577, effective July 15, 1992; amended at 17 Ill. Reg. 3213, effective March 1, 1993; amended at 18 Ill. Reg. 2029, effective January 21, 1994; amended at 18 Ill. Reg. 7009, effective April 27, 1994; amended at 19 Ill. Reg. 2886, effective February 24, 1995; amended at 20 Ill. Reg. 1191, effective January 5, 1996; amended at 21 Ill. Reg. ~~8226~~ **8226**, effective ~~_____~~ **FEB 01 1997**.

Section 111.101 Current Assistance Standards

Adults and Children

Family Size	Group I	Group II	Group III
1 (AFDC and Refugee/	\$ 555 54¢	\$ 535 52¢	\$ 453 44¢

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Repatriate Assistance)

1(All Other Programs)

1	432 421	420 409	404 393
2	729 710	705 687	673 656
3	989 963	957 932	916 892
4	1086 1050	1056 1029	1020 994
5	1273 1240	1236 1204	1189 1150
6	1429 1392	1388 1352	1340 1305
7	1504 1465	1461 1423	1413 1376
8	1585 1544	1543 1503	1486 1447
9	1666 1623	1625 1583	1568 1527
10	1756 1710	1707 1663	1649 1606
11	1850 1802	1797 1750	1738 1693
12	1946 1895	1894 1845	1827 1779
13	2049 1996	1994 1942	1924 1874
14	2157 2101	2099 2044	2024 1971
15	2272 2213	2210 2152	2133 2077
16	2393 2331	2328 2267	2246 2187
17	2519 2453	2451 2387	2364 2302
18	2652 2589	2580 2513	2490 2425

Child-Only

1	268 261	254 240	247 240
2	527 513	508 495	493 480
3	653 636	634 618	621 605
4	837 815	815 794	792 772
5	994 960	968 943	941 917
6	1067 1039	1042 1015	1014 980
7	1149 1119	1120 1091	1086 1058
8	1231 1199	1203 1172	1167 1137
9	1320 1286	1287 1254	1250 1218
10	1413 1376	1377 1341	1338 1303
11	1510 1471	1472 1434	1429 1392
12	1612 1570	1572 1531	1525 1485

For family sizes greater than 18 or 12, the amount of the Assistance Standard will be determined by adding \$103 or \$80 respectively for each person above 18 or 12. All rounding in determining Assistance Standards is done by rounding down to the next whole dollar amount.

(Source: Amended at 21 Ill. Reg. 2226, effective FEB 01 1997)

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- 1) Heading of the Part: Demonstration Programs
- 2) Code Citation: 89 Ill. Adm. Code 170
- 3) Section Numbers: 170.380
Adopted Action: Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: February 1, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these Amendments contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 1, 1997
- 9) Notice of Proposal Published in Illinois Register: October 25, 1996 (20 Ill. Reg. 13900)
- 10) Has JCAR issued a Statement of Objections to these Adopted Amendments? No
- 11) Differences between proposal and final version: The following changes were made in the text of the proposed amendments:
 1. In Sections 170.380(a)(1) and (2), "research site" was changed to "control cases".
 2. In Sections 170.380(a)(3), (4) and (5), "(all cases)" was added after the county name.
 3. In Section 170.380(b), "the research sites" was replaced by "Auburn Park and Williamson".
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these Amendments replace Emergency Amendments currently in effect?
No
- 14) Are there any Amendments pending on this Part? No
- 15) Summary and Purpose of Amendments: As provided at 20 Ill. Reg. 5648, the Quarterly Reporting - Failure to Report Employment Demonstration has been in place in pilot offices around the State since the first quarter in

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1996. The Department is now proposing to expand these provisions, Statewide, except for specific sites.

Currently, caseworkers spend a great deal of time budgeting client earnings. Quarterly Reporting - Failure to Report Employment allows caseworkers to budget income on a quarterly, rather than monthly, basis. Under this system, the budgeting process is limited to four times a year thereby allowing time for caseworkers to better serve the client's other needs.

Assistance units which must report earnings are assistance units which contain a household member who is employed or who has lost employment within one of the last three months. These amendments provide that AFDC clients that must report earnings will have their benefits calculated quarterly with consideration given to monthly income and attendant circumstances. In addition, the intake process will use the actual amount of income received in the Initial Prorated Entitlement (IPE) period to determine the first mercury warrant and calculation of the first regular roll payment will be computed using income averaging.

This rulemaking provides that all AFDC assistance units which must report quarterly will have their benefits calculated for three months by considering income and attendant circumstances on a prospective basis. Earnings will be budgeted prospectively for a three-month period based on the quarterly report provided by the client. Income averaging will be used to determine the amount of income to budget for a three-month period.

When the completed quarterly report is received, the Department will determine if eligibility continues and process any adjustments to the payment. The Department will notify the caretaker relative of any changes in the payment and the reason or reasons for the change. If the AFDC grant is being reduced or terminated as a result of information contained in the report, the notification will be mailed to arrive no later than the payment or the day the payment would have arrived.

If the Department does not receive the quarterly report or receives only an incomplete report, AFDC may be terminated. The Department will send the client a notice of the action to arrive not later than the date the payment would have been made if the Department had received a completed report on time. If the family is found ineligible or eligible for a grant less than that of the prior month, the Department will promptly notify the client of the right to a fair hearing and the right to have assistance reinstated. If a hearing is requested on or before the date of change or within ten calendar days of the date of notice, whichever is later, assistance will be reinstated to the level of the prior month.

If a completed report form is received by the end of the first payment month of the three-month period for which the report is used to determine

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eligibility, eligibility for the entire three-month period will be determined. If eligible, all the applicable earned income disregards will be allowed for the entire three-month period.

If, however, a completed report form is received after the last calendar day of the first payment month of the three-month period for which the report is used to determine eligibility, eligibility for the month of receipt and the third month, if applicable, will be determined. Eligibility for a cash payment for the first payment month of the three-month period will not exist. The client will be allowed all the applicable earned income disregards for those months for which eligibility is determined.

Clients who fail to report their earnings will be cancelled once it is discovered by the Department via crossmatch with the Illinois Department of Employment Security (IDES). In addition, an overpayment will be referred for all assistance received from the first month of the crossmatch quarter to the present. The client will be given timely notification of the action taken.

As a result of this rulemaking, for all applicants and recipients, except for those in control cases in Auburn Park and Williamson, one vehicle, regardless of its value, will be disregarded for purposes of determining the eligibility or cash grant amount of the AFDC unit.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Judy Umunna
Bureau of Rules and Regulations
Illinois Department of Public Aid
100 South Grand Avenue East, Third Floor
Springfield, Illinois 62762
217/524-0081

The full text of the Adopted Amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER 9: DEMONSTRATION PROGRAMS

PART 170

DEMONSTRATION PROGRAMS

SUBPART A: THE FRESH START
WELFARE REFORM DEMONSTRATION PROGRAM

Section

170.10 Youth Employment and Training Initiative
170.20 Paternal Involvement Project
170.30 Homeless Families Support Project
170.40 Family Responsibility Project
170.50 Income Budgeting Project

SUBPART B: THE CAREER ADVANCEMENT PROGRAM

Section

170.100 The Career Advancement Program
170.110 Career Advancement Experimental and Control Groups
170.120 Career Advancement Participation Requirements of Experimental Group Members
170.130 Career Advancement Supportive Services for Experimental Group Members

SUBPART C: COMMUNITY GROUP PARTICIPATION PROGRAM

Section

170.200 Community Group Participation Program

SUBPART D: EARNED INCOME INITIATIVE

Sections

170.250 Work Pays Demonstration

SUBPART E: THE SCHOOL ATTENDANCE INITIATIVE

170.300

School Attendance Initiative

SUBPART F: WORK AND RESPONSIBILITY DEMONSTRATION

Section

170.350 Family Accountability
170.360 Get a Job Initiative
170.370 Targeted Work Initiative (TWI)
170.380 Quarterly Reporting - Failure to Report Employment Demonstration Project

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170.390 Employment Plan Demonstration Project

SUBPART G: BIOMETRIC IDENTIFICATION DEMONSTRATION

Section

170.400 Retinal Scanning

SUBPART H: JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS)
DEMONSTRATION PROGRAM

Section

170.450 Young Parent Services South Home Visitor, Demonstration (Project Link)

SUBPART I: DASA/DPA SUBSTANCE ABUSE INITIATIVE

Section

170.500 DASA/DPA Substance Abuse Initiative

AUTHORITY: Implementing and authorized by Sections 4-1, 4-1.10, 4-8, 4-17, 11-20, 12-4.28 and 12-13 of the Illinois Public Aid Code [305 ILCS 5/4-1, 4-1.10, 4-8, 4-17, 11-20, 12-4.28 and 12-13].

SOURCE: Adopted at 13 Ill. Reg. 14067, effective August 23, 1989; amended at 14 Ill. Reg. 19320, effective November 30, 1990; amended at 17 Ill. Reg. 19197, effective October 25, 1993; emergency amendment at 17 Ill. Reg. 19721, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3372, effective February 28, 1994; emergency amendment at 19 Ill. Reg. 645, effective January 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 7901, effective June 8, 1995; emergency amendment at 19 Ill. Reg. 15256, effective November 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 15849, effective November 15, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 16314, effective December 1, 1995, for a maximum of 150 days; amended at 20 Ill. Reg. 866, effective January 1, 1996; amended at 20 Ill. Reg. 4333, effective February 29, 1996; amended at 20 Ill. Reg. 5685, effective March 30, 1996; amended at 20 Ill. Reg. 6029, effective April 12, 1996; amended at 20 Ill. Reg. 6517, effective April 29, 1996; amended at 21 Ill. Reg. 1379, effective January 15, 1997; amended at 21 Ill. Reg. 1700, effective January 27, 1997; amended at 21 Ill. Reg. **2230**, effective **FEB 01 1997**.

SUBPART F: WORK AND RESPONSIBILITY DEMONSTRATION

Section 170.380 Quarterly Reporting - Failure to Report Employment Demonstration Project

a) This Section applies to AFDC applicants and recipients in the following local offices: except for applicants and recipients in the following local offices:

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1) Auburn Park (control cases); **Research-sites-**

2) Williamson (control cases);

3) Rock Island (all cases);

4) Champaign (all cases); and

5) Lake (all cases).

b) Cases in Auburn Park and Williamson **the--research--sites** will be randomly assigned to an experimental or control group. Cases assigned to the experimental group are subject to the rules in this Section.

2) Englewood; South-Suburban-and-Uptown-(**all-cases**);3) DuPage-(**all-cases**);4) Kanekee-(**all-cases**);5) McLean-(**all-cases**);-and6) Peoria-(**all-cases**);

c) b) Clients in this demonstration project who fail to report their earnings and their earnings are discovered via crossmatch with the Illinois Department of Employment Security (IDES) will be centrally cancelled and an overpayment referred for all assistance received from the first month of the IDES quarter identified to the present. The client will be given timely notification of the action taken.

d) c) Each assistance unit in the Quarterly Reporting - Failure to Report Demonstration Project that is required to report must submit a written completed report form to the Department quarterly. The information to be reported will be regarding the assistance unit's income, assets, family composition and other factors pertinent to AFDC eligibility for the budget month and any changes in these factors which the unit expects to occur in the current or future months.

e) d) The assistance units which must report are units which contain a member who is employed or who has lost employment within the last three months.

f) e) All AFDC units which must report quarterly shall have benefits calculated for three months by considering income and attendant circumstances on a prospective basis.

g) f) Earnings shall be budgeted prospectively for a three-month period based on the quarterly report provided by the client. Income averaging will be used to determine the amount of income to budget for a three-month period.

h) g) Clients who experience a decrease in income below the amount anticipated may be eligible for a supplemental payment. A supplemental payment must be requested in writing. Eligibility for a supplemental payment may exist if the gross earned (minus self-employment business expenses, if any) and unearned income (includes the assistance payment) received from all sources for the payment month is less than the payment level for an assistance unit of comparable size. If these conditions are met, the amount of supplemental payment the client is eligible to receive, if any, is determined by adding the gross earned income (minus self-employment business expenses and the 2/3 earned income deduction) and the gross

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unearned income (includes the assistance payment) received in the payment month. This amount is subtracted from the payment level for an assistance unit of comparable size. If the difference is \$10 or more, the client is eligible for a supplemental payment. The supplemental payment the client is eligible for is the amount of the difference.

i) h) Clients who experience an increase in income above the amount anticipated will not be referred for an overpayment based on the increased income.

j) i) At intake, actual amount of income received in the Initial Prorated Entitlement (IPE) period will be used to determine the IPE amount. The first regular roll payment amount will be computed using income averaging.

k) j) When the completed quarterly report is received, the Department will determine if eligibility continues and process any adjustments to the payment. The Department will notify the caretaker relative of any changes in the payment and the reason or reasons for the change. If the AFDC grant is being reduced or terminated as a result of information contained in the report, the notification will be mailed to arrive no later than the payment or the day the payment would have arrived.

l) k) If the Department does not receive the quarterly report or receives only an incomplete report, AFDC may be terminated. The Department must send the client a notice of the action to arrive not later than the date the payment would have been made if the Department had received a completed report on time. If the family is found ineligible or eligible for a grant less than that of the prior month, the Department will promptly notify the client of the right to a fair hearing and the right to have assistance reinstated. If a hearing is requested on or before the date of change or within ten calendar days after the date of notice, whichever is later, assistance will be reinstated to the level of the prior month.

m) l) If a completed report form is received by the end of the first payment month of the three-month period for which the report is used to determine eligibility, eligibility for the entire three-month period will be determined. If eligible, all the applicable earned income disregards will be allowed for the entire three-month period.

n) m) If a completed report form is received after the last calendar day of the first payment month of the three-month period for which the report is used to determine eligibility, eligibility for the month of receipt and the third month, if applicable, will be determined. Eligibility for a cash payment for the first payment month of the three-month period shall not exist. The client will be allowed all the applicable earned income disregards for those months for which eligibility is determined.

o) n) All AFDC caretaker relatives who are required to file quarterly reports will be notified of their responsibility, receive a complete explanation of the requirements and be informed of the due date for the first report.

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p) For all applicants and recipients, except for those in control cases in Auburn Park and Williamson, one vehicle, regardless of its value, will be disregarded for purposes of determining the eligibility or cash grant amount of the AFDC unit.

(Source: Amended at 21 Ill. Reg. 2230, effective
FEB 01 1997)

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NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Diagnosis Related Grouping (DRG) Prospective Payment System (PPS)
- 2) Code Citation: 89 Ill. Adm. Code 149
- 3) Section Numbers: Adopted Action:
149.75 Amendment
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]
- 5) Effective Date of Amendments: February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these Amendments contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: August 30, 1996 (20 Ill. Reg. 11573)
- 10) Has JCAR issued a Statement of Objections to these Adopted Amendments? No
- 11) Differences between proposal and final version:

Several changes have been made in the text of the proposed amendments during the public comment period.

In the beginning of subsection (d)(1), "January 1, 1997" has been changed to "March 1, 1997".

At the end of the first sentence in subsection (g)(2), "within 60 days of" has been changed to "within 60 days after".

No other changes have been made in the text of the proposed amendments.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these Amendments replace Emergency Amendments currently in effect?
No
- 14) Are there any Amendments pending on this Part? No
- 15) Summary and Purpose of Amendments: Effective July 5, 1995, the Health Care Financing Administration discontinued the federal requirement for attestations for Medicare discharges. Such attestations verify the

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accuracy of principal and secondary diagnoses and provide certification of major procedures that have been performed. Despite the federal changes, the Department believes it is necessary to retain the use of attestations to ensure accountability relative to billed diagnoses and procedures. Further, the Bureau of Medical Quality Assurance, the Attorney General's Office, and the Illinois State Police support the use of attestations because of their usefulness in pursuing fraud investigations.

These amendments provide for the retention of the attestation system, but change physician attestation to coding attestation and release the attending physician from the responsibility of signing the attestation form for inpatient admissions reimbursed under the Diagnosis Related Grouping methodology. According to these changes, attestation procedures will be performed by staff of the Health Information Management Department.

These amendments will not result in any budgetary changes.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Joanne Jones
Bureau of Rules and Regulations
Illinois Department of Public Aid
100 South Grand Avenue East, Third Floor
Springfield, IL 62762
(217) 524-0081

The full text of the Adopted Amendments begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER d: MEDICAL PROGRAMS

PART 149

DIAGNOSIS RELATED GROUPING (DRG) PROSPECTIVE PAYMENT SYSTEM (PPS)

Section	
149.5	Diagnosis Related Grouping (DRG) Prospective Payment System (PPS)
149.10	Applicability of Other Provisions
149.25	General Provisions
149.50	Hospital Services Subject to and Excluded from the DRG Prospective Payment System
149.75	Conditions for Payment Under the DRG Prospective Payment System
149.100	Basic Methodology for Determining DRG Prospective Payment Rates
149.105	Payment For Outlier Cases
149.125	Special Treatment of Certain Facilities
149.140	Methodology for Determining Primary Care Access Health Care Education Payments (Repealed)
149.150	Payments to Hospitals Under the DRG Prospective Payment System
149.175	Payments to Contracting Hospitals (Repealed)
149.200	Admitting and Clinical Privileges (Repealed)
149.205	Inpatient Hospital Care or Services by Non-Contracting Hospitals Eligible for Payment (Repealed)
149.225	Payment to Hospitals for Inpatient Services or Care not Provided under the ICARE Program (Repealed)
149.250	Contract Monitoring (Repealed)
149.275	Transfer of Recipients (Repealed)
149.300	Validity of Contracts (Repealed)
149.305	Termination of ICARE Contracts (Repealed)
149.325	Hospital Services Procurement Advisory Board (Repealed)

AUTHORITY: Implementing Article III of the Illinois Health Finance Reform Act [20 ILCS 2215/Art. III] and implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI and 12-13].

SOURCE: Recodified from 89 Ill. Adm. Code 140.940 thru 140.972 at 12 Ill. Reg. 7401; amended at 12 Ill. Reg. at 12095, effective July 15, 1988; amended at 13 Ill. Reg. 554, effective January 1, 1989; amended at 13 Ill. Reg. 15070, effective September 15, 1989; amended at 15 Ill. Reg. 1826, effective January 28, 1991; emergency amendment at 15 Ill. Reg. 16308, effective November 1, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 6195, effective March 27, 1992; emergency amendment at 16 Ill. Reg. 11937, effective July 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14733, effective October 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19868, effective December 7, 1992; amended at 17 Ill. Reg. 3217, effective March 1, 1993; emergency amendment at 17 Ill. Reg. 17275, effective October 1, 1993, for

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a maximum of 150 days; amended at 18 Ill. Reg. 3378, effective February 25, 1994; amended at 19 Ill. Reg. 10674, effective July 1, 1995; amended at 21 Ill. Reg. 2238, effective FEB 03 1997.

Section 149.75 Conditions for Payment Under the DRG Prospective Payment System

a) General Requirements

- 1) A hospital must meet the conditions of this Section to receive payment under the DRG PPS for inpatient hospital services furnished to persons receiving coverage under the Medicaid Program.
- 2) If a hospital fails to comply fully with these conditions with respect to inpatient hospital services furnished to one or more Medicaid clients, the Department may, as appropriate:
 - A) Withhold Medicaid payment (in full or in part) to the hospital until the hospital provides adequate assurances of compliance; or
 - B) Terminate the hospital's Provider Agreement pursuant to 89 Ill. Adm. Code 140.16.

- b) Hospital Utilization Control. Hospitals and distinct part units that participate in Medicare (Title XVIII) must use the same utilization review standards and procedures and review committee for Medicaid as they use for Medicare. Hospitals and distinct part units that do not participate in Medicare (Title XVIII) must meet the utilization review plan requirements in 42 CFR, Ch. IV, Part 456, Subparts C, D, or E (October 1, 1991). Utilization control requirements for inpatient psychiatric hospital care in a psychiatric hospital, as defined in Section 149.50(c)(1), shall be in accordance with federal regulations at 42 CFR, Ch. IV, Part 456, Subpart G (October 1, 1991).
- c) Medical Review Requirements: Admissions and Quality Review

- Hospital utilization review committees, a subgroup of the utilization review committee, or the hospital's designated professional review organization (PRO) shall review, on an ongoing basis, the following:
 - 1) The medical necessity, reasonableness and appropriateness of inpatient hospital admissions and discharges.
 - 2) The medical necessity, reasonableness and appropriateness of inpatient hospital care for which additional payment is sought under the outlier provisions of Section 149.105.
 - 3) The validity of the hospital's diagnostic and procedural information.
 - 4) The completeness, adequacy and quality of the services furnished in the hospital.
 - 5) Other medical or other practice with respect to program participants or billing for services furnished to program participants.

d) Medical Review Requirements: DRG Validation

- 1) Coding Physician attestation. Beginning with admissions on or after March 1, 1997, the Health Information Management Director

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(Medical Records) or his or her designee(s) within the Health Information Management Department September 17, 1991, for which the discharge occurs on or after December 15, 1991, the attending physician must, shortly before, at, or shortly after discharge (but before a claim is submitted), attest to the principal and diagnosed secondary diagnoses, and names of major procedures as indicated in the medical record performed. The information must be in writing in the medical record and, except as provided in subsection (d)(2) below, the physician must sign the statement. Below the diagnostic and procedural information, and on the same page, the following statement must immediately precede the signature of the Health Information Management Director or his or her designee(s) within this Department: Physician's dated signature: "I certify that the ICD-9-CM coding of narrative descriptions of the principal and secondary diagnoses and the major procedures performed are accurate and complete based on the contents of the medical record, to the best of my knowledge." The physician's name of the person signing the attestation must be typed or clearly printed and appear on the same page as the physician's signature.

- 2) Alternative signature. The attending physician's signature, along with the other information required in subsection (d)(1), may be provided by electronic means through a hospital data system if the hospital's Title XVIII (Medicare) intermediary has determined that the hospital data system meets the guidelines established by the Health Care Financing Administration, U.S. Department of Health and Human Services, under the Medicare Program.

- 3) DRG Validation. The Department or its designee may require and perform prepayment review and/or postpayment review of specific diagnosis and procedure codes.

3) Sample Reviews

- A) The Department, or its designee, may review a random sample of discharges to verify that the diagnostic and procedural coding, submitted by the hospital and used by the Department for DRG assignment, is substantiated by the corresponding medical records.

- B) Code validation must be done on the basis of a review of medical records and, at the Department's discretion, may take place at the hospital or away from the hospital site.

4) Revision of Coding

- A) If the diagnostic and procedural information, attested to by the Health Information Management Director or his or her designee(s) within the Health Information Management Department attending physician, is found to be inconsistent with the hospital's coding, the hospital shall be required to provide the appropriate coding and the Department shall recalculate the payment on the basis of the revised coding.

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- B) If the information attested to by the Health Information Management Director or his or her designee(s) within the Health Information Management Department **Physician** as stipulated under subsection (d)(4)(A) above **(d)(5)(A)** is found not to be consistent with the medical record, the hospital shall be required to provide the appropriate coding and the Department shall recalculate the payment on the basis of the revised coding.
- e) Medical Review Requirements: The Department, or its designee, may conduct pre-admission, concurrent, pre-payment, and/or post-payment reviews of:
- 1) The medical necessity, reasonableness and appropriateness of inpatient hospital admissions and discharges.
 - 2) The quality and/or the nature of the utilization of health services.
 - 3) The medical necessity, reasonableness and appropriateness of inpatient hospital care for which additional payment is sought under the outlier provisions of Section 149.105.
 - 4) The validity of the hospital's diagnostic and procedural information.
 - 5) The completeness, adequacy and quality of the services furnished in the hospital.
 - 6) Other medical or other practices with respect to program participants or billing for services furnished to program participants.
- f) Hospitals shall be notified at least **thirty**-t **30** days in advance of any pre-admission, concurrent, or pre-payment review requirements imposed by the Department.
- g) Denial of Payment as a Result of Admissions, Length of Stay, Transfers and Quality Review
- 1) If the Department determines that a hospital has misrepresented admissions, length of stay, discharges, or billing information, or has taken an action that results in the unnecessary admission or inappropriate discharge of a program participant, unnecessary multiple admissions of a program participant, unnecessary transfer of a program participant, or other inappropriate medical or other practices with respect to program participants or billing for services furnished to program participants, the Department may, as appropriate:
 - A) Deny payment (in whole or in part) with respect to inpatient hospital services provided with respect to such an unnecessary admission, inappropriate length of stay or discharge, subsequent readmission or transfer of an individual.
 - B) Require the hospital to take action necessary to prevent or correct the inappropriate practice.
 - C) Perform prepayment review in accordance with 89 Ill. Adm. Code 148.240(c).

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- 2) When payment with respect to the discharge of an individual patient is denied by the Department, or its designee, under subsection (g)(1)(A) above, a reconsideration will be provided within 30 days, upon the request of a practitioner or provider, if such request is the result of the designee's own medical necessity or appropriateness of care denial determination and is received within 60 days after of the Advisory Notice. The date of the Advisory Notice is counted as day one.
- 3) A determination under subsection (g)(1) above, if it is related to a pattern of inappropriate admissions, length of stay and billing practices that has the effect of circumventing the prospective payment system, may result in actions specified in subsection (a)(2) above.
- h) Furnishing of Inpatient Hospital Services Directly or Under Other Arrangements
 - 1) The applicable payments made under the PPS are payment in full for all inpatient hospital services other than for the services of non hospital-based physicians to individual program participants and the services of certain hospital-based physicians as described in subsections (h)(1)(B)(i) through (h)(1)(B)(v) below.
 - A) Hospital-based physicians who may not bill separately on a fee-for-service basis
 - i) A physician whose salary is included in the hospital's cost report for direct patient care may not bill separately on a fee-for-service basis.
 - ii) A teaching physician who provides direct patient care may not bill separately on a fee-for-service basis if the salary paid to the teaching physician by the hospital or other institution includes a component for treatment services.
 - B) Hospital-based physicians who may bill separately on a fee-for-service basis
 - i) A physician whose salary is not included in the hospital's cost report for direct patient care may bill separately on a fee-for-service basis.
 - ii) A teaching physician who provides direct patient care may bill separately on a fee-for-service basis if the salary paid to the teaching physician by the hospital or other institution does not include a component for treatment services.
 - iii) A resident may bill separately on a fee-for-service basis when, by the terms of his or her contract with the hospital, he or she is permitted to and does bill private patients and collect and retain the payments received for those services.
 - iv) A hospital-based specialist who is salaried, with the cost of his or her services included in the hospital

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reimbursement costs, may bill separately on a fee-for-service basis when, by the terms of his or her contract with the hospital, he or she may charge for professional services and do, in fact, bill private patients and collect and retain the payments received.

- v) A physician holding a non teaching administrative or staff position in a hospital or medical school may bill separately on a fee-for-service basis to the extent that he or she maintains a private practice and bills private patients and collects and retains payments made.

- 2) Charges are to be submitted on a fee-for-service basis only when the physician seeking reimbursement has been personally involved in the services being provided. In the case of surgery, it means presence in the operating room, performing or supervising the major phases of the operation, with full and immediate responsibility for all actions performed as a part of the surgical treatment.

(Source: Amended at 21 Ill. Reg. 2238, effective FEB 03 1997)

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- 1) Heading of the Part: MediPlan Plus

- 2) Code Citation: 89 Ill. Adm. Code 142

- 3) Section Numbers: Adopted Action:
 142.100, 142.110, 142.200 New Section
 142.205, 142.220, 142.230 New Section
 142.240, 142.250, 142.255 New Section
 142.260, 142.270, 142.275 New Section
 142.280, 142.300, 142.340 New Section
 142.370, 142.380, 142.390 New Section
 142.400, 142.450, 142.460 New Section
 142.500, 142.502, 142.505 New Section
 142.510, 142.530, 142.532 New Section
 142.538, 142.560, 142.700 New Section
 142.710, 142.720, 142.730 New Section
 142.800, TABLE A, TABLE B New Section

- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

- 5) Effective Date of Rules: February 4, 1997

- 6) Does this rulemaking contain an automatic repeal date? No

- 7) Do these Rules contain incorporations by reference? No

- 8) Date Filed in Agency's Principal Office: February 4, 1997

- 9) Notice of Proposal Published in Illinois Register: October 11, 1996 (20 Ill. Reg. 13156)

- 10) Has JCAR issued a Statement of Objections to these Adopted Rules? No

- 11) Differences between proposal and final version: The following changes have been made in the proposed rules:

For Section 142.230 in the Section outline, "(HMO)" has been changed to "(HMOs)".

Section 142.110

In the definition of "Affiliate", "managment" has been changed to "management".

In the definition of "Certified Pediatric Ambulatory Care Center (CPACC)", closing quotes have been added after "(CPACC)".

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In the definition of "County HMO", "Section 142.532 of these rules" has been changed to "Section 142.532 of this Part".

In the definition of "County MCCN", "Section 142.532 of these rules" has been changed to "Section 142.532 of this Part".

In the definition of "Credit Enhancement", "Moody's Investor Service, Inc.," has been changed to "Moody's Investors Service, Inc.,".

The following language has been added at the end of the definition of "Department": "and any successor agencies".

In the definition of "Eligible Enrollee", the description of refugees and repatriates has been deleted in its entirety.

For the definition of "Eligible Enrollee", the description concerning children in foster care has been revised to read:

Children in foster care, receiving adoption assistance or in subsidized guardianships through the Department of Children and Family Services.

The following language has been added at the end of the definition of "Governing Interest": "Members of an association of physicians and hospital(s), organized as a viable legal entity under applicable State law, that has an Ownership or Controlling Interest in an MCCN or HMO are considered to have a Governing Interest in the MCCN or HMO."

In the definition of "Health Maintenance Organization (HMO)", the ILCS citation has been changed to read "[215 ILCS 125]".

The definition of "Managed Care Entity (MCE)" has been revised to read: "means a Health Maintenance Organization or a Managed Care Community Network or a Prepaid Health Plan under contract with the Department."

In the definition of "Medical Assistance", "Medical benefits" has been changed to "medical benefits".

For the definition of "Party In Interest", in the third description, "non-profit" has been changed to "not-for-profit". Additionally, in the last description, "in the first paragraph" has been changed to "above".

The following language has been added at the end of the definition of "Prepaid Health Plan (PHP)": "and Section 142.240 of this Part".

In the definition of "Trustee", "bank or trust company" has been changed to "financial institution as defined in the Consumer Deposit Account Act [205 ILCS 605]".

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In the definition of "Urgent Care", "48 hours" has been deleted, and "the same or the next day" has been added after "be provided within".

Section 142.200

In subsection (a)(1), a comma has been added after the ILCS citation, and "of these rules" has been changed to "of this Part".

Subsection (a)(2) has been revised to read, "An MCCN which meets the requirements for MCCNs as specified in this Part."

In subsection (a)(3), "of these rules" has been changed to "of this Part."

In subsection (b)(2), "in these rules" has been changed to "in this Part".

In subsection (b)(3), the comma after "FQHC" has been changed to a colon, and "the" which immediately follows has been changed to "The".

Subsection (b)(4) has been revised to read, "Contract only with health care Providers."

In subsection (b)(5), "sub-contracting" has been changed to "subcontracting", "based upon reasonable knowledge," has been added after "health care providers that," and "for performing" has been changed to "from performing".

In subsection (b)(6), the second sentence has been revised to read, "This mechanism should provide for a response by telephone or other telecommunications device immediately in the case of emergencies and, in other cases, within 24 hours after the request for items covered in the Department's pharmaceutical program which require prior authorization and for off-formulary drugs prescribed by a physician under this mechanism."

In subsection (b)(9), the first sentence has been revised to read, "Reimburse the Department for any overpayments which the MCEs were not otherwise entitled to receive from the Department or payments from the Department received in violation of any term of a signed contract with the Department."

Subsection (b)(11) has been revised to read, "Comply with the requirements of 305 ILCS 5/5-16.3(d)."

A new subsection (b)(12) has been added, as follows:

12) With the exception of a local health department owned or operated by an Illinois county with a population greater than three million, an MCE must comply with either subsection (b)(12)(A), (B)

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or (C) below. (At least one of these options must apply to all health departments providing services to residents within the MCE's Contracting Area. Capitation rates to MCEs will be adjusted pursuant to Section 142.502(a)(6) to the extent that services are provided through a certified local health department and not reimbursed by an MCE.)

- A) Subcontract with certified local health departments to provide vision, hearing, screening, and well-child visits;
- B) Subcontract with certified local health departments to provide comprehensive care as a primary care site; or
- C) Have a linkage agreement with the certified local health departments for the coordination of care to its Enrollees.

The previous subsection (b)(12) has been relabeled as subsection (b)(13) and revised to read, "Ensure that all of its Enrollees have a Care Coordinating Provider choice that is located within 30 minutes or no more than 30 miles of the Enrollee's residence."

The previous subsection (b)(13) has been relabeled as subsection (b)(14) and revised, as follows:

- 14) Ensure Provider facilities are accessible, as mandated by applicable federal and State law, including, but not limited to, the Americans with Disabilities Act. This accessibility shall include, but is not limited to ensuring that communications are accessible by making TTY telephones available and providing appropriate interpreter services for Enrollees with hearing impairments and by making printed materials available in large print, Braille or audiotape for Enrollees with vision impairments.

The previous subsection (b)(14) has been relabeled as subsection (b)(15) and revised by adding, ", take adverse action against," after "In no way prohibit".

The previous subsection (b)(15) has been relabeled as subsection (b)(16) and revised by changing "Agree not to" to "Must not".

The previous subsection (b)(16) has been relabeled as subsection (b)(17) and revised, as follows:

- 17) Integrate and coordinate services, and cooperate in the exchange of health care information with providers of services under the Illinois Department of Public Health's Family Case Management Program.

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A new subsection (b)(18) has been added, which reads, "Cooperate fully with any fraud and abuse investigation."

In the second sentence of subsection (c), "obstetrical or gynecological care or care for fetal or neonatal complications" has been added after "for woman's health care for" and "services" has been deleted.

Subsection (e) has been deleted in its entirety.

Section 142.205

In the last sentence of subsection (a), "appropriate" has been changed to "applicable".

Subsection (a)(14) has been revised to read, "Referral information, if any;".

Subsection (b) has been revised, as follows:

- b) An MCE or EMCP must locate and transfer to other Providers, without charge, at the request of the Department, other authorized State agencies or the Enrollee, a copy of an Enrollee's medical records. An MCE or EMCP shall not transfer a medical record for which an appropriate release has not been obtained from the Enrollee, parents or legally appointed guardian.

Section 142.220

In subsections (a)(2), (a)(3) and (a)(4), the spelling of "Disabilities" has been corrected.

Subsection (a)(2) has been revised by adding, "or limited liability company" after "stock corporation"; by adding, "must be owned by, or 100 percent of all members in the limited liability company," after "all voting shares" and then deleting "owned by"; by deleting "the Illinois Department of Public Health or"; by adding "Illinois Department of Public Health, the" after "subject to licensure or certification by the"; and by adding ", or a limited liability company with 100 percent of its members who," after "its voting shares".

Subsection (a)(3) has been revised by deleting "the Illinois Department of Public Health or" after "subject to licensure by"; by adding "the Illinois Department of Public Health," after "subject to licensure or certification by"; and by adding the following new language to the end of the subsection: "For the purpose of this subsection, a State-owned medical school shall be a provider of health care services."

Subsection (a)(4) has been revised by deleting "the Illinois Department of

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Public Health or" after "subject to licensure by", and by adding "the Illinois Department of Public Health," after subject to licensure or certification by".

The following language has been added at the end of subsection (b)(1): "The Net Worth of an MCCN need not be greater than \$2 million during any contract year."

In subsections (b)(1)(A), (b)(1)(B) and (b)(1)(C), "net worth" has been changed to "Net Worth".

In subsection (b)(1)(E), "to the MCCN" has been added after "and the cost", and ", excluding the cost of any reinsurance," has been added after "exceeds \$1,000,000 per year".

In the fourth sentence of subsection (b)(2), "the Department shall" has been changed to "the Department may".

In the second sentence of subsection (b)(4)(A), "bank or trust company" has been changed to "financial institution as defined in the Consumer Deposit Account Act [205 ILCS 605]". Also in subsection (b)(4)(A), "these rules" and "these regulations" have each been changed to "this Part".

In subsection (b)(4)(A)(iv), "these regulations" has been changed to "this Part".

In subsection (b)(4)(A)(v), "section" has been changed to "Section".

In subsection (b)(4)(B), "within 12 months of" has been changed to within 12 months after".

In the first sentence of subsection (b)(4)(D), "amount in which" has been changed to "amount which".

In subsection (b)(4)(E), "within two days of" has been changed to "within two days after".

In subsection (b)(4)(F), "the terms hereof" has been changed to "this Section" and "these rules" has been changed to "this Part".

In subsection (b)(4)(G), the cross-reference has been changed from "subsection (b)" to "subsection (b)(4)(C)".

In subsection (b)(4)(K), "above" has been changed to "in subsection (b)(4)(I)".

In subsection (b)(6)(A), "subsection" has been changed to "subsection (b)(6)".

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In subsection (b)(6)(E), "within 30 days of" has been changed to "within 30 days after" and "Providers" has been changed to "provider's".

In subsection (b)(6)(E)(iii), "set-off" has been changed to "off-set".

In subsection (b)(6)(F), "six months of" has been changed to "six months after".

In subsection (b)(7), the following language has been added at the end of the third sentence: "and an independent actuarial certification of incurred, but not reported, liabilities". Also, "three months of" has been changed to "three months after".

In the last sentence of subsection (b)(8), "adequate to its financial" has been changed to "adequate to meet its financial".

In subsections (b)(9)(A)(i) and (b)(9)(A)(iii), "three" has been changed to "five".

In subsections (c)(2)(C) and (c)(3), "net worth" has been changed to "Net Worth".

Section 142.230

In subsection (b)(1), the ILCS citation has been revised to read, "[215 ILCS 125]".

In the second sentence of subsection (b)(2)(A), "bank" has been changed to "financial institution, as defined in the Consumer Deposit Account Act [205 ILCS 605]". Also in subsection (b)(2)(A), "these rules" and "these regulations" have each been changed to "this Part".

In subsection (b)(2)(A)(v), the brackets have been deleted.

In subsection (b)(2)(B), "12 months of" has been changed to "12 months after".

In subsection (b)(2)(C)(ii), "for each year thereafter" has been deleted.

In subsection (b)(2)(D), "subsection (b)(2)(G) of this Section" has been changed to "subsection (b)(2)(G) below" and "amount with 14 days" has been changed to "amount within 14 days".

In subsection (b)(2)(E), "two days of" has been changed to "two days after".

In subsection (b)(2)(F), "the terms hereof" has been changed to "this Part" and "these rules" has been changed to "this Part".

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In subsection (b)(3)(A), "hereof" has been changed to "of this Part".

In subsection (b)(3)(B), "hereunder" has been changed to "under this Part".

In subsection (b)(4), the ILCS citation has been changed to "[215 ILCS 5/187]".

In subsection (b)(4)(A), "this subsection" has been changed to "this subsection (b)(4)".

In subsection (b)(4)(D), "section" has been changed to "Section".

In subsection (b)(4)(E), "insolvency proceedings" has been changed to "Insolvency Proceedings" and "within 30 days of" has been changed to "within 30 days after".

In subsection (b)(4)(E)(iii), "set-off" has been changed to "off-set".

In subsection (b)(4)(F), "within six months of" has been changed to "within six months after".

In subsection (b)(5), the following language has been added at the end of the third sentence: "and an independent actuarial certification of incurred, but not reported, liabilities".

In the first sentence of subsection (c)(1), "or which a proof of claim" has been changed to "or for which a proof of claim" and in the second sentence, "unrelated Provider" has been changed to "Unrelated Provider".

Section 142.240

In subsection (b), "or HMO" has been added after both occurrences of "an MCO".

In subsections (c)(1) and (c)(2), "insolvency proceeding" has been changed to "Insolvency Proceeding". In subsection (c), a comma has been added after "Insolvency Proceeding".

Section 142.250

In subsection (a), "within 35 days of" has been changed to "within 35 days after".

In subsections (a)(1), (a)(3) and (a)(4), "Control Interest" has been changed to "control Interest".

In subsection (a)(3), "ownership" has been changed to "Ownership" and

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"control interest" has been changed to "control Interest".

In subsection (a)(4), a parenthesis has been added, to read: "(4)" and "Entity or is" has been changed to "Entity or who is".

In subsection (a)(6), "Within 35 days of" has been changed to "Within 35 days after" and "party in interest" has been changed to "Party In Interest".

In subsection (a)(7), "within 35 days of" has been changed to "within 35 days after".

In subsection (b)(2), "or" has been added after "sister".

In subsection (b)(5), "Within 35 days of" has been changed to "Within 35 days after" and "party in interest" has been changed to "Party In Interest".

In subsection (b)(6), "within 35 days of" has been changed to "within 35 days after".

In subsection (c), "these rules" has been changed to "this Part".

In subsection (d), the ILCS citation has been revised to read, "[5 ILCS 140]".

Section 142.255

Subsection (b) has been revised by deleting "a governmental authority" and adding "the State or federal government" after "recommended by".

Subsection (d) has been revised to read, "The MCE or EMCP is prohibited from conducting unsolicited telephone calls or unsolicited visits in, or to, an Eligible Enrollee's home for the purposes of Marketing, and from Marketing in any Department offices or the immediate surrounding area of those offices."

In subsection (e), "undue" has been deleted after "indirectly use" and "interferes" has been changed to "interfere".

In subsection (f)(3), "visible" has been added after "shall wear".

In the third sentence of subsection (f)(6), the comma after "Department" has been changed to a colon. In the fourth sentence, the commas after "Marketing staff", "site" and "Marketing activities" have been changed to semicolons.

In subsection (f)(10), "braille" has been changed to "Braille".

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The following language has been added at the end of subsection (f)(8): "Interpretive services must meet the accessibility standards of an MCE as described in Section 142.200(b)(14)."

In the second sentence of subsection (f)(9), ", at a minimum, the following: " has been added after "log documenting". The following language has been added at the end of subsection (f)(9): "The marketing complaint log must be made available to be reviewed by the Department."

The following language has been added at the end of subsection (f)(10): "whenever Eligible Enrollees need such a format."

Subsection (h) has been revised to read, "The MCE or EMCP shall make materials available to Eligible Enrollees in English. If approximately five percent of more of low-income households in the local public aid office area are of a single-language minority, as determined by the Department, then the materials must be available in that language."

Section 142.260

In subsection (f)(1), "these rules" has been changed to "this Part."

In subsection (f)(3), the ILCS citation has been changed to "[35 ILCS 5]".

In subsection (f)(4), "CPACC" and "FOHC" have been changed to "CPACCs" and "FOHCs".

Subsection (f)(8) has been revised to read, "Authorize non-emergency health care and mental health care, and make referrals for substance abuse services deemed appropriate by the EMCP but rendered by other Providers."

A new sentence has been added at the end of subsection (g)(3), which reads: "The Department will monitor complaints registered by Enrollees and will take action to correct deficiencies."

In subsection (h)(3), "renewal" has been changed to "renewal" and "provider" has been changed to "Provider".

In subsection (h)(4), the first occurrence of "following" has been deleted.

Section 142.270

In subsection (b)(5), "(Code v7401)" has been changed to "(Code w7401)".

In subsection (b)(9), all of the text has been deleted, and subsections (b)(10) through (b)(12) have been relabeled accordingly.

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In new subsection (b)(9), "subsection" has been changed to "Section" and "142.275(b)" has been changed to "142.275(a)".

In new subsection (b)(11), ", provided that the proper authorization is received through the Department as described in Section 142.275(a)" has been added after "Substance Abuse" at the end of the sentence.

New subsections (b)(12), (b)(13) and (b)(14) have been added, as follows:

13) Services provided through local education agencies that participate in the Special Education Medicaid Matching Fund Program.

14) Dental services as described in 89 Ill. Adm. Code 140.420 and 140.421.

15) Optometric services and supplies as described in 89 Ill. Adm. Code 140.416 and 140.417.

Subsection (c) has been revised to read, "If a female Enrollee has chosen to designate a woman's health care EMCP, as described in Section 142.260(b), in addition to an EMCP, the woman's health care EMCP can provide or authorize obstetrical or gynecological care, or care for fetal or neonatal complications".

In subsection (d), "Section" has been added after "described in".

In subsection (f), "other State or local" has been changed to "those".

In subsection (g), "these rules" has been changed to "this Part" and the following language has been added at the end of the subsection: ", excluding services for which no EMCP authorization is required as described in Section 142.270(b)".

Subsection (i) has been revised to read, "Except for services described in Section 142.270(b), when an Enrollee independently seeks care from a Provider other than the EMCP, the referral Provider will not be paid unless the EMCP authorizes the services and notifies the Department or the services are authorized pursuant to Section 142.275(a)(8) or Section 142.275(a)(11)."

In subsection (j), the second occurrence of "142.260" has been deleted and the following language has been added at the end of the subsection: ", except in the case of the mental health services approved by the Department".

Section 142.275

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In subsection (a)(2), ", in accordance with the provisions of Section 142.460," has been added after "The EMCP or MCE".

The following language has been added at the end of subsection (a)(5): "if the Provider was not identified by the referring EMCP or MCE".

Subsection (a)(6) has been revised to read, "The Department or its designee will send hard copy confirmation that the authorization has been registered to the referral Provider."

Subsection (a)(8), has been revised to read:

The EMCP or MCE will notify the Department that an Enrollee has been referred for treatment of certain behavioral health services, as defined in Section 142.450(b), except for services defined in Section 142.450(b)(3)(B). A Provider of services described in Section 142.450(b), except for services defined in Section 142.450(b)(3)(B), may seek authorization directly from the Department.

In subsection (a)(9), "MediPlan Plus Referral Agent (MPRA)" has been changed to "Department".

Subsection (a)(10) has been revised to read, "The Provider rendering inpatient care behavioral health services as defined in Section 142.450(b) must notify the Department or its designee within 24 hours after the admission."

A new subsection (a)(11) has been added, which reads, "A provider of services described in Section 142.270(b)(3) may seek authorization directly from the Department."

In subsection (b), "MediPlan Plus Referral Agent (MPRA)" has been changed to "MPRA".

Section 142.280

In subsection (b)(3), both occurrences of "non-profit" have been changed to "not-for-profit".

A new subsection (c)(3) has been added, which reads, "Transitioning from a PHP to an MCCN or an HMO."

In subsection (e)(1), "(MCE's)" has been changed to "(MCEs)".

In subsection (e)(3), both occurrences of "provider" have been changed to "MCE" and all of the language beginning with "For Providers who" has been deleted.

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In subsection (e)(5), both occurrences of "rule" have been changed to "Part".

Subsection (f) has been deleted in its entirety.

Subsection (g) has been relabeled as subsection (f) and "these rules" has been changed to "this Part".

Section 142.300

New subsections (b)(9) and (b)(10) have been added, as follows:

9) Those participating in the Program of All-Inclusive Care for the Elderly (PACE).

10) Those who are not eligible for medical assistance under Title XIX of the Social Security Act.

Section 142.340

In subsection (b), "In the case of a minor child, or others as applicable, the caretaker relative or guardian shall make the enrollment choice." has been added before the last sentence, which begins with "Those who".

In the first sentence of subsection (d)(1), "those in the Restricted Recipient Program (RRP) and" has been added after "Closed Contracting Area, except". Also, the following language has been added at the end of subsection (d)(1):

This subsection (d)(1) does not apply to Enrollees who do not exercise a choice and currently receive their care from an HMO, MCCN or PHP. Those Enrollees will continue to be enrolled with the same MCE. Enrollees not exercising a choice who are enrolled with a PHP that is transitioning to an HMO or MCCN shall continue to be enrolled with that transitioning PHP.

In subsection (d)(2), "60 days of" has been changed to "60 days after" and the following language has been added at the end of the subsection: "if that Enrollee resides in a Contracting Area with MCCN services available. If the Enrollee resides in a Closed Contracting Area without MCCN services available, that Enrollee will have 30 days to select an EMCP or a different MCE".

In subsection (d)(3), "and children under one year of age" has been added after "MediPlan Plus coverage" and the comma after "coverage" has been deleted.

The following language has been added at the end of subsection (f): "or to

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report problems with MCEs".

A new subsection (i) has been added, as follows:

- i) All Clients including Eligible Enrollees and applicants shall receive written information on the procedures for accessing services not provided through a Client's MCE or EMCP. This material shall include a description of the authorization/referral mechanism and a description of services that do not require authorization and referral by the MCE or EMCP.

Section 142.370

In subsection (a), "will" has been changed to "may" after "Section 142.TABLE A,".

In subsection (b), "mangement" has been changed to "management".

In subsection (b)(1)(B), "will" has been deleted, "establish" has been changed to "Establish" and "satifies" has been changed to "satisfies".

The following language has been added at the end of subsection (b)(4): "After the Department finds the child no longer qualifies, the treating physician(s) may supply additional information and request reconsideration of the Department's decision."

Section 142.380

In subsection (a), "and is not expected to be discharged within two months from the date of the eligibility interview" has been added after "while hospitalized".

Section 142.390

The following sentence has been added at the end of subsection (d)(3): "Reasonableness will be determined on a case by case basis and will take into account the unique circumstances of the request."

Subsection (d)(5) has been revised to read, "Fraud or other misrepresentation including, but not limited to, Marketing abuse by the MCE or EMCP as determined by the Department."

A new subsection (d)(9) has been added as follows: "The enrollee is HIV positive."

In subsection (e), both occurrences of "good" have been deleted, and "cause" in the second sentence has been capitalized.

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In subsection (e)(6), the semicolon after the ILCS citation has been changed to a colon.

For the labeling of subsections (e)(6)(A) and (B), "(A)" and "(B)" have been changed to "A)" and "B)".

In subsection (e)(7), "142.370" has been changed to "Section 142.370".

Subsection (e)(8) has been revised to read, "With the exception of chronically ill children as defined in Section 142.370, in no case will a request for disenrollment based on a pre-existing condition, as determined by the Department, be approved."

For the labeling of subsection (f), "(f)" has been changed to "f)".

In subsection (g), the cross-reference to "(e)(6)" has been changed to "(e)(7)".

In subsection (j), "calendar" has been added after "first day of the".

A new subsection (m) has been added, which reads, "Upon request from the EMCP or MCE, an Enrollee may not re-enroll or be assigned to an EMCP or MCE from which disenrollment has occurred during the previous twelve months."

Section 142.400

Subsection (a) has been revised to read, "Except for services excluded in Section 142.450 and subject to the amount, duration and scope as provided in 89 Ill. Adm. Code 140, MCE services shall include the following services, when medically necessary, unless contrary to the moral or religious beliefs as defined in the Right of Conscience Act [745 ILCS 70]:"

At the end of subsection (a)(4), "MCE" has been changed to "Department".

The following language has been added at the end of subsection (a)(12): "for Enrollees 19 years of age and older".

In subsection (d), "risk assessment and referral" has been added after "shall meet the". Also, the following language has been added at the end of subsection (d): "and MCEs shall cooperate with morbidity and mortality reviews. Prenatal requirements shall include testing all pregnant women, except for those refusing to be tested, for HIV."

Subsection (f) has been revised by deleting "with hearing impairments" and adding "who are deaf or hard of hearing that meet the accessibility standards described in Section 142.200(b)(13)" after "for Enrollees".

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In the first line of subsection (g)(1), "see" has been changed to "require".

In subsection (g)(4), the comma after "denied" has been deleted.

In subsection (h), "subsection" has been changed to "subsections".

In the last sentence of subsection (i)(1), ", conducted in the language of the Enrollee if the Enrollee does not speak English," has been added after "the Department".

At the beginning of subsection (i)(1)(A)(ii), "covered services and" has been added before "any restrictions".

In subsection (i)(1)(B), "physical examination" has been changed to "physical examinations".

At the end of subsection (i)(1)(C), "improper" has been deleted, and "inadequate or inappropriate" has been added after "substance abuse and".

Subsection (i)(1)(F) has been revised to read, "Information clearly written in English. If approximately five percent or more of low income households in the local public aid office area are of a single-language minority as determined by the Department, then the materials must be available in that language."

Subsection (i)(1)(G) has been revised by adding, "in accordance with the accessibility standards described in Section 142.200(b)(14). A potential format could include captioned videos." after "hearing impaired Enrollees".

Section 142.450

Subsection (a) has been revised as follows:

- a) As mandated by Public Act 88-554, certain services under Medicaid Plus shall be excluded from MCE contracts. Children with chronic and acute conditions as defined in Section 142.370 are excluded from MCE contracts upon such determination by the Department. Services specified and defined in this Section shall be available to Eligible Enrollees, but are reimbursed under other applicable administrative rules. Referrals for services specified and defined in this Section are the responsibility of the MCE. Referrals must be made in accordance with the provisions of Section 142.460."

At the end of subsection (b)(1), "to which" has been changed to "related to" and "are incidental" has been deleted.

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Subsection (b)(2)(A) has been revised to read, "Inpatient hospital and physician services which are necessary to assess and treat diagnosed conditions described in Section 142.TABLE B."

In subsection (b)(2)(B), "assess and" has been added after "necessary to" and "rule" has been changed to "part".

In subsection (b)(2)(C), "assess and" has been added after "necessary to".

Subsection (b)(2)(D) has been revised to read, "Prescription drugs containing clozapine, risperidone, olanzapine, sertindole and other drugs as approved by the Department."

Subsection (b)(3) has been revised as follows:

3) Other mental health services as follows:

A) Outpatient mental health specialty services provided pursuant to 59 Ill. Adm. Code 132, including targeted case management funded by the Department of Mental Health and Developmental Disabilities which are necessary to assess and treat conditions listed in Section 142.TABLE B.

B) Mental health services provided pursuant to 59 Ill. Adm. Code 132 by the Department of Children and Family Services.

In subsection (c)(3), the ILCS citation has been changed to "[325 ILCS 20]".

In subsection (c)(10), "v7401" has been changed to "w7401".

In subsection (c)(11), "of the Social Security Act" has been added after "Section 1915(c)".

A new subsection (c)(13) has been added, which reads, "Services provided by a county provider, as defined in 305 ILCS 5/15 (9-5), as a provider type."

A new subsection (c)(14) has been added, which reads, "Audiology services, physical therapy, occupational therapy and speech therapy provided to Enrollees under 19 years of age."

The following language has been added at the end of subsection (d)(1): "However, services described in subsections (c)(1), (c)(2) and (c)(13) that are in excess of the utilization profiles described in Section 142.502(c) shall be subject to the adjustments described in Section 142.502(d)."

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At the end of subsection (d)(3), "MPRA" has been changed to "Department".

Section 142.460

In subsection (a), the comma after "rules" has been deleted.

In subsection (b)(1), "through" has been changed to "and".

In subsection (b)(1)(D), the ILCS citation has been changed to [225 ILCS 47] and "USC" has been changed to "USC".

Subsection (c) has been revised to read, "The Department will pay for services described in subsection (b) above for Enrollees only if authorization has been recorded by the Department."

A new subsection (d) has been added, which reads, "Immunizations provided by a local health department, and other services as may be specified in contract, do not require referral authorization from an MCE."

Section 142.500

The first sentence of subsection (b) has been revised to read, "EMCPs will receive a monthly patient management fee for each Enrollee except that such fee shall not be paid for any Enrollee enrolled with the EMCP only as a woman's health care EMCP, as defined in Section 142.260(b)."

In subsection (c)(2), "this" has been added before "Part 142."

Section 142.502

The second sentence of subsection (a)(1) has been revised by adding "fee-for-service" after "may not exceed the".

Subsection (a)(3) has been revised by changing "The capitated" to "Maximum capitated", changing "as determined by" to "as certified by" and changing "The American" to "the American".

In subsection (a)(5), "exceed" has been changed to "exceeds".

In subsections (a)(5) and (6), "negotiated" has been changed to "negotiated".

In subsection (a)(6), "sub-contract" has been changed to "subcontract" and "Section 142.200(b)(11)" has been changed to "Section 142.200(b)(12)".

Subsection (b)(1)(A) has been revised to read, "an actuarially sound basis of the Department's fee-for-service payment system for the Eligible Enrollees and services as described in Section 142.400, less:".

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Subsection (b)(1)(A)(ii) has been revised by changing "providers" to "Providers" and by adding "excluded under Section 142.450 and" after "and Providers as".

Subsection (b)(1)(A)(iii) has been revised by adding "other" after "any".

Subsections (b)(2)(A) and (B) have been revised, as follows:

A) For the first program year of MediPlan Plus, the per member per month rate maxima will be based on services, less exclusions, as described in subsection (b)(1)(A) above, with dates of service occurring during State Fiscal Year 1995, trended forward by a factor determined by the Department.

B) For each subsequent program year of MediPlan Plus, the per member per month rate maxima will be based on services less exclusions, as described in subsection (b)(1)(A) above, provided during the State's fiscal year used for the determination of the previous program year, trended forward by a factor determined by the Department.

In subsection (d)(1), "subsection" has been changed to "subsection (d)".

The second sentence of subsection (d)(2) has been revised by deleting "exceeds" and adding "deviates from" after "subsection (a)(4) above". The third sentence of subsection (d)(2) has been revised by deleting "exceeds" and adding "deviates from" after "an HMO or MCN".

The following language has been added at the end of subsection (d)(2)(A): "All initial adjustments made to an HMO or MCE will be multiplied by a factor of two. All subsequent adjustments will include a reconciliation between any previous adjustments paid, and the actual deviation from the utilization profile."

The first sentence of subsection (d)(2)(B) has been revised by adding "or reimburse" after "will bill" and by changing "in (c)(1)" to "in subsection (c)(1)". The second sentence has been revised by adding "For deviations resulting in a payment due to the Department" at the beginning, changing "if" to "if" and changing "60 days of" to "60 days after".

Section 142.505

In subsection (b)(1), "Tazewell" has been changed to "Tazewell".

Section 142.510

The first sentence of subsection (b) has been revised by adding, "and the physician" after "reimburse the hospital".

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Section 142.532

In subsection (b), "this" has been added after "under".

In subsection (f), "net worth" has been changed to "Net Worth".

Section 142.538

Subsection (b)(1)(A) has been revised by adding "whether paid or" after "services delivered and", and changing "paid and denied" to "delivered and whether paid or denied" after "out-of-plan services".

Subsection (b)(1)(B) has been revised by adding "and specified in contract and Provider notices" after "Department".

Section 142.560

Subsection (a) has been revised by deleting ", and" after "met" and subsection (a)(2) has been revised by adding "inpatient" after "have required".

A colon has been added after "and" at the end of subsection (b).

Section 142.700

The second sentence of subsection (a)(1)(A) has been revised by deleting "community standards" and adding "sound medical practice" after "in accordance with".

Subsection (a)(2) has been revised to read, "Each QAP shall delineate an identifiable structure including a designated committee responsible for overseeing the performance of quality assurance functions."

Subsection (a)(2)(B) has been revised by deleting, "This committee shall be accountable to the MCE's governing body."

Subsection (a)(2)(C) has been deleted in its entirety.

Subsection (a)(2)(D) has been relabeled as subsection (a)(2)(C), and subsection (a)(2)(E) has been relabeled as subsection (a)(2)(D).

In subsection (b)(1)(E), the "and" after "other languages," and "assure" after "request and" have been deleted and the following language has been added at the end of the subsection: "and that if approximately five percent or more of low-income households in the local public aid office area are of a single-language minority as determined by the Department, then the material is made available in that language".

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In subsection (b)(2)(A), "and" after "enrollment," has been deleted.

The following language has been added at the end of subsection (b)(2)(A)(vi): "imposed by the MCE on its Enrollees for services not covered by the Illinois State Medicaid Plan".

The following language has been added at the end of subsection (b)(2)(A)(x): "in accordance with Department requirements".

In subsection (b)(2)(C), "braille" has been changed to "Braille".

The first sentence of subsection (b)(3) has been revised by adding "all" after "to ascertain" and by adding "including, but not limited to, quality of service" after "Provider level,".

In subsection (b)(4)(C), "MCEs" has been changed to "MCE's".

Subsection (b)(4)(D) has been deleted in its entirety and subsection (b)(4)(E) has been relabeled as subsection (b)(4)(D).

In subsection (b)(5)(A)(i), a comma has been added after "care".

In subsection (b)(5)(A)(ii), the comma after "including" has been deleted.

Subsection (b)(5)(A)(iv) has been revised by deleting "and Spanish", changing "braille" to "Braille" and adding the following language at the end of the subsection: ", if approximately five percent or more of low-income households in the local public aid office area are of a single-language minority as determined by the Department, then the material shall be available in that language; and".

In subsection (b)(5)(B)(iii), the comma after "implementing" has been deleted.

Subsection (b)(6)(D) has been revised by changing "provider" to "Provider".

In subsection (b)(7), "e.g." has been changed to "for example".

The first sentence of subsection (b)(8) has been revised by deleting "data" and adding "medical care provided" after "reviewing". The third sentence of subsection (b)(8) has been revised by deleting "detailed records" and adding "all supporting documentation" after "the maintenance".

In subsection (b)(10), "60 days of" has been changed to "90 days after".

Subsection (b)(11)(A) has been revised by changing "encourage" to

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"ensure".

In subsection (b)(11)(D), "e.g." has been changed to "for example,".

Section 142.720

In subsection (a)(2), the semicolon after "following" has been changed to a colon.

The first sentence of subsection (b) has been revised by changing "members" to "beneficiaries".

The following language has been added at the end of subsection (b)(3): "Interpretive services for a hearing impaired Enrollee shall be in accordance with the accessibility standards described in Section 142.200(b)(14)."

In subsection (i), "days of" has been changed to "days after".

In subsection (k), "of this Part" has been added to the end of the subsection.

Section 142.TABLE A

Category - Infectious Disease

The diagnosis code "042-044" has been changed to "042".

Category - Oncology

The diagnosis code "140-140.9" has been changed to "140-149.9".

The description for diagnosis code 170-176.9 has been revised to read, "Malignant neoplasm of bone, connective tissue, skin and breast".

The diagnosis code "190-199.9" has been changed to "190-199.1".

Category - Endocrine

The following diagnosis code and description have been added after the description for diagnosis code 242.9: "250" and "Diabetes mellitus".

The diagnosis code "252.2" has been changed to "252.1".

The description for diagnosis code 253-253.9 has been revised to read, "Disorders of the pituitary and its hypothalamic control".

The diagnosis code "255 & 255.2" has been changed to "255-255.2"; in the

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description, "gland" has been changed to "glands".

The diagnosis code "270" has been changed to "270.0"; in the description, "and metabolism" has been deleted.

The diagnosis code "271" has been changed to "271.0"; the description has been revised to read, "Glycogenosis".

The diagnosis code "277.7" has been changed to "277.0".

The following diagnosis codes and descriptions have been added after the description for new diagnosis code 277.0:

- 279.1 Deficiency of cell-mediated immunity
- 279.2 Combined immunity deficiency

Category - Hematology

The following diagnosis code and description have been added at the beginning of this category: "282.6" and "Sickle-cell anemia".

The diagnosis code "284-284.9" has been changed to "284".

The diagnosis code "286-297.9" has been changed to "286".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 288.0:

- 288.1 Functional disorders of polymorphonuclear neutrophils
- 288.2 Genetic anomalies of leukocytes

Category - Neurology

For the description for diagnosis code 325, "thrombophelebitis" has been changed to "thrombophlebitis".

The diagnosis code "330-330.9" has been changed to "330".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 331.4:

- 331.81 Reye's syndrome
- 334.0 Friedreich's ataxia
- 334.2 Primary cerebellar degeneration
- 334.8 Other spinocerebellar diseases

The following diagnosis codes and descriptions have been added after the description for diagnosis code 340-341.1:

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- 343.2 Infantile cerebral palsy, quadriplegic
- 344.0 Quadriplegia and quadripareisis
- 344.8 Other specified paralytic syndromes
- 348.1 Anoxic brain damage

In the description for diagnosis code 357.1, "of" has been changed to "in".

Category - Circulatory

The diagnosis code "393-398" has been changed to "393-398.9".

The diagnosis code "414-414.9" has been changed to "414".

The diagnosis code "415-415.9" has been changed to "416".

The diagnosis code "425-425.9" has been changed to "425".

The diagnosis code "428-428.9" has been changed to "428".

The diagnosis code "440" has been changed to "441".

Category - Gastroenterology

The description for diagnosis code 571 has been revised to read, "Chronic liver disease and cirrhosis".

The following diagnosis code and description have been added after the description for diagnosis code 571: "577.1" and "Chronic pancreatitis".

Category - Nephrology

The following diagnosis code and description have been added at the end of this category: "588.0" and "Renal osteodystrophy".

Category - Musculo-Skeletal

The description for diagnosis code 710 has been revised to read, "Diffuse diseases of connective tissues".

The diagnosis code, "710.0", and description, "Systemic lupus erythematosus", have been deleted, and the following diagnosis codes and descriptions have been added immediately following:

- 714 Rheumatoid arthritis and other inflammatory polyarthropathies
- 721.1 Cervical spondylosis and myelopathy
- 721.4 Thoracic or lumbar spondylosis with myelopathy
- 721.5 Kissing spine

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- 721.7 Traumatic spondylopathy
- 721.91 Spondylopathy of unspecified site, with myelopathy

Category - Congenital Anomalies

The following diagnosis code and description have been added after the description for diagnosis code 740.1: "741.0" and "Spina bifida, with hydrocephalus".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 742.0:

- 742.1 Microcephalus
- 742.2 Reduction of deformities of brain
- 742.4 Other specified anomalies of brain

In the description for diagnosis code 745.2, "fallot" has been changed to "Fallot".

The diagnosis code, "745.60", and description, "Endocardial cushion defect, unspecified type", have been deleted.

The description for diagnosis code 746.01 has been revised to read, "Pulmonary valve atresia, congenital".

The description for diagnosis code 746.02 has been revised to read, "Pulmonary valve stenosis, congenital".

The description for diagnosis code 746.1 has been revised to read, "Tricuspid atresia and stenosis, congenital".

The description for diagnosis code 746.6 has been changed to "Congenital mitral insufficiency".

The diagnosis code "47.22" has been changed to "747.22".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 752.7:

- 756.5 Osteodystrophies
- 758.1 Patau's syndrome
- 758.2 Edward's syndrome
- 758.3 Autosomal deletion syndromes
- 759.5 Tuberous sclerosis
- 759.6 Other hamartoses, not elsewhere classified

Category - Injury and Poisoning

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The following diagnosis codes and descriptions have been added after the description for diagnosis code 806:

- 854.1 Intracranial injury of other and unspecified nature,
with open intracranial wound
- 941.3 Burns
- 942.3-942.5 Burns
- 943.3-943.5 Burns
- 944.3-944.5 Burns
- 945.3-945.5 Burns
- 946.3-946.5 Burns
- 947 Burns
- 948.2-948.9 Burns
- 949.3-949.5 Burns

The following diagnosis code and description have been added after the description for diagnosis code 952: "953.8" and "Injury to nerve roots and spinal plexus, multiple sites".

Section 142.TABLE B

DSM-IV Codes "293.81" and "293.82", and the relevant diagnosis codes and descriptions have been deleted in their entirety.

The descriptions for diagnosis codes 295.00, 295.01, 295.02, 295.03, 295.04, 295.10 and 295.11 have been revised by changing "Schizophrenia" to "Schizophrenic disorders".

The descriptions for diagnosis codes 295.40, 295.41, 295.42, 295.43 and 295.44 have been revised by changing "Schizophreniform disorder" to "Acute schizophrenic episode".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 295.44:

- 295.53 Latent schizophrenia, subchronic with acute exacerbation
- 295.54 Latent schizophrenia, chronic with acute exacerbation

The descriptions for diagnosis codes 295.60, 295.61, 295.62, 295.63 and 295.64 have been revised by changing "Schizophrenia" to "Residual schizophrenia" and deleting ", residual type".

The descriptions for diagnosis codes 295.70, 295.71, 295.72, 295.73 and 295.74 have been revised by changing "Schizoaffective disorder" to "Schizo-affective type".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 295.74:

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- 295.80 Other specified types of schizophrenia, unspecified
- 295.81 Other specified types of schizophrenia, subchronic
- 295.82 Other specified types of schizophrenia, chronic
- 295.83 Other specified types of schizophrenia, subchronic
with acute exacerbation
- 295.84 Other specified types of schizophrenia, chronic with acute
exacerbation

The descriptions for diagnosis codes 295.90, 295.91, 295.92, 295.93 and 295.94 have been revised by changing "Schizophrenia" to "Unspecified schizophrenia" and deleting "undifferentiated type,".

The description for diagnosis code 296.03 has been revised by adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.04 has been revised by adding "severe, specified as" after "episode,", and changing "features" to "behavior".

The description for diagnosis code 296.05 has been revised by adding "or unspecified" after "partial".

The description for diagnosis code 296.13 has been revised by adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.14 has been revised by adding "severe, specified as" after "episode," and changing "features" to "behavior".

The description for diagnosis code 296.15 has been revised by adding "or unspecified" after "partial".

The description for diagnosis code 296.23 has been revised by adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.24 has been revised by adding "severe, specified as" after "episode,", and changing "features" to "behavior".

The description for diagnosis code 296.25 has been revised by adding "or unspecified" after "partial".

The description for diagnosis code 296.33 has been revised by adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.34 has been revised by adding "severe, specified as" after "recurrent,", and changing "features" to "behavior".

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The description for diagnosis code 296.35 has been revised by adding "or unspecified" after "partial".

The descriptions for diagnosis codes 296.40 and 296.42 have been revised by adding "affective" after "Bipolar".

The second occurrence of DSM-IV Code "296.42" has been changed to "296.43".

The description for diagnosis code 296.43 has been revised by adding "affective" after "Bipolar", deleting "moderate," adding "mention of" after "without" and changing "features" to "behavior".

The description for diagnosis code 296.44 has been revised by adding "affective" after "Bipolar", changing "moderate" to "severe, specified as", and changing "features" to "behavior".

The description for diagnosis code 296.45 has been revised by adding "affective" after "Bipolar" and adding "or unspecified" after "partial".

The descriptions for diagnosis codes 296.50, 296.52, 296.60, 296.62, 296.65, 296.70 and 296.72 have been revised by adding "affective" after "Bipolar".

The description for diagnosis code 296.53 has been revised by adding "affective" after "Bipolar", adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.54 has been revised by adding "affective" after "Bipolar", adding "severe, specified as" after "depressed," and changing "features" to "behavior".

The description for diagnosis code 296.55 has been revised by adding "affective" after "Bipolar" and adding "or unspecified" after "partial".

The description for diagnosis code 296.63 has been revised by adding "affective" after "Bipolar", adding "mention of" after "without", and changing "features" to "behavior".

The description for diagnosis code 296.64 has been revised by adding "affective" after "Bipolar", adding "severe, specified as" after "mixed," and changing "features" to "behavior".

The description for diagnosis code 296.73 has been revised by adding "affective" after "Bipolar" and adding "mention of" after "without".

The description for diagnosis code 296.74 has been revised by adding "affective" after "Bipolar" and adding "as with" before "psychotic".

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The description for diagnosis code 296.75 has been revised by adding "affective" after "Bipolar" and adding "or unspecified" after "partial".

The description for diagnosis code 296.80 has been deleted in its entirety, and a new description has been added, as follows: "Manic-depressive psychosis, unspecified".

The description for diagnosis code 296.89 has been deleted in its entirety, and a new description has been added, as follows: "Other manic-depressive psychosis, mixed-type".

Diagnosis code "297.10" and its description have been revised as follows: "297.1" and "Paranoia".

Diagnosis code "297.30" and its description have been revised as follows: "297.3" and "Shared paranoid disorder".

The following diagnosis codes and descriptions have been added after the description for new diagnosis code 297.3:

- 297.8 Other specified paranoid states
- 297.9 Unspecified paranoid state
- 298.0 Depressive type psychosis
- 298.1 Excitation type psychosis
- 298.2 Reactive confusion
- 298.3 Acute paranoid reaction
- 298.4 Psychogenic paranoid psychosis

The diagnosis code "298.80" has been changed to "298.8"; the description has been deleted in its entirety and a new description has been added, as follows: "Other and unspecified reactive psychosis".

The diagnosis code "298.90" has been changed to "298.9"; the description has been deleted in its entirety and a new description has been added, as follows: "Unspecified psychosis".

The description for diagnosis code 299.00 has been revised to read, "Infantile autism, current or active".

The description for diagnosis code 299.01 has been revised to read, "Infantile autism, residual".

The description for diagnosis code 299.10 has been revised to read, "Disintegrative psychosis, residual state".

The description for diagnosis code 299.80 has been deleted in its entirety and a new description has been added, as follows: "Other specified early childhood psychoses, current or active state".

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The description for diagnosis code 299.81 has been deleted in its entirety and a new description has been added, as follows: "Other specified early childhood psychoses, residual state".

The following diagnosis codes and descriptions have been added after the description for diagnosis code 299.81:

299.90 Unspecified psychoses with origin specific to childhood, current or active state

299.91 Unspecified psychoses with origin specific to childhood, residual state

The description for diagnosis code 300.00 has been revised as follows: "Anxiety state, unspecified".

A new diagnosis code and description have been added after the description for diagnosis code 300.00, as follows: "300.01 and "Panic disorder".

The description for diagnosis code 300.12 has been revised to read, "Psychogenic amnesia".

The description for diagnosis code 300.13 has been revised to read, "Psychogenic fugue".

The description for diagnosis code 300.14 has been revised to read, "Multiple personality".

The description for diagnosis code 300.15 has been revised to read, "Dissociative disorder or reaction, unspecified".

The description for diagnosis code 300.16 has been revised to read, "Factitious illness with psychological symptoms".

The description for diagnosis code 300.21 has been revised to read, "Agoraphobia with panic attacks".

The description for diagnosis code 300.22 has been revised to read, "Agoraphobia without mention of panic attacks".

The description for diagnosis code 300.29 has been deleted in its entirety and a new description has been added as follows: "Other isolated or simple phobias".

In the description for diagnosis code 300.30, "disorder" has been changed to "disorders".

Diagnosis code "300.60" and its description have been revised as follows: "300.6" and "Depersonalization syndrome".

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The diagnosis code "301.00" has been changed to "301.0".

The description for diagnosis code 301.13 has been revised to read, "Cyclothymic disorder".

The description for diagnosis code 301.20 has been revised by adding ", unspecified" after "disorder".

The description for diagnosis code 301.22 has been revised by striking "disorder".

Diagnosis code "301.40" and its description have been revised as follows: "301.4" and "Compulsive personality disorder".

The description for diagnosis code 301.50 has been revised by adding ", unspecified" after "disorder".

New diagnosis codes and descriptions have been added after the description for diagnosis code 301.50, as follows:

301.51 Chronic factitious illness with physical symptoms

301.59 Other histrionic personality disorder

The diagnosis code "301.60" has been changed to "301.6".

Diagnosis code "301.90" and its description have been revised as follows: "301.9" and "Unspecified personality disorder".

The diagnosis code "302.20" has been changed to "302.2".

Diagnosis code "302.30" and its description have been revised as follows: "302.3" and "Transvestism".

The diagnosis code "302.40" has been changed to "302.4".

The description for diagnosis code 302.89 has been deleted in its entirety and a new description has been added, as follows: "Other specified psychosexual disorders".

The diagnosis code "307.10" has been changed to "307.1".

The description for diagnosis code 307.20 has been revised to read, "Tic disorder, unspecified".

The description for diagnosis code 307.21 has been revised to read, "Transient tic disorder of childhood".

The description for diagnosis code 307.22 has been revised to read,

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"Chronic motor tic disorder".

The description for diagnosis code 307.23 has been revised to read, "Gillies de la Tourette's syndrome".

The description for diagnosis code 307.50 has been revised to read, "Eating disorder, unspecified".

The description for diagnosis code 307.51 has been revised to read, "Bulimia".

Diagnosis code "308.30" and its description have been revised as follows: "308.3" and "Other acute reactions to stress".

The description for diagnosis code 309.21 has been revised to read, "Separation anxiety disorder".

The description for diagnosis code 309.81 has been revised to read, "Prolonged posttraumatic stress disorder".

The description for diagnosis code 311.00 has been revised to read, "Depressive disorder, not elsewhere classified".

The description for diagnosis code 312.39 has been deleted in its entirety and a new description has been added, as follows: "Other disorders of impulse control, not elsewhere classified".

Diagnosis code "312.80" and its description have been revised as follows: "312.8" and "Other specified disturbances of conduct, not elsewhere classified".

Diagnosis code "312.90" and its description have been revised as follows: "312.9" and "Unspecified disturbance of conduct".

The description for diagnosis code 313.81 has been revised to read, "Oppositional disorder".

The description for diagnosis code 313.89 has been deleted in its entirety and a new description has been added, as follows: "Other or mixed emotional disturbances of childhood or adolescence".

The description for diagnosis code 314.00 has been revised to read, "Attention-deficit disorder, without hyperactivity".

The description for diagnosis code 314.01 has been revised to read, "Attention-deficit disorder, with hyperactivity".

Diagnosis code "314.90" and its description have been revised as follows:

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"314.9" and "Unspecified hyperkinetic syndrome".

The DSM-IV Codes 332.10 through 995.20 and their relevant diagnosis codes and descriptions have been deleted in their entirety.

Additional typographical and technical changes have been made throughout the text of the proposed rules.

12) Have all the changes agreed upon by the agency and JCARE been made as indicated in the agreement letter issued by JCARE? Yes

13) Will these Rules replace Emergency Rules currently in effect? No

14) Are there any Amendments pending on this Part? No

15) Summary and Purpose of Rules: These new rules establish MediPlan Plus, a managed care program for Illinois Medicaid recipients. This new system of integrated health care services has been developed in response to Public Act 88-554. Utilizing managed care principles, MediPlan Plus will create broad changes in Illinois' Medicaid Program.

These rules will create an implementation and administration framework for the MediPlan Plus demonstration waiver. Under MediPlan Plus, the Department will begin managing the health care needs of approximately 1.1 million Medicaid clients. In doing so, the Department will contract with providers, including a new category of capitated risk bearing providers (Managed Care Community Networks), to begin coordinating and determining the appropriate health care needs of eligible clients. Rather than haphazard and random care from any provider, MediPlan Plus will ensure comprehensive care for clients by requiring providers to manage the health care needs of clients. This approach will improve continuity of care, provide for appropriate follow-up and emphasize the benefits of preventive care.

Under MediPlan Plus, clients will enroll with a fee-for-service provider, or a risk bearing Health Maintenance Organization or a Managed Care Community Network. While all types of providers will be responsible for coordinating the care of their enrollees, risk bearing providers will also be bidding against each other, thus creating competition in terms of both price and quality. It is expected that MediPlan Plus will encourage the integration of health care services and management of the health care of enrollees while preserving reasonable choice within a competitive and cost efficient health care environment. MediPlan Plus will help to control Medicaid spending through competition and through its emphasis on preventive care. These new provisions in 89 Ill. Adm. Code 142 are intended to reflect the focus of the managed care legislation to assure that Illinois has an effective and affordable health care system in place for Medicaid clients.

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- 16) Information and questions regarding these Adopted Rules shall be directed to:

Joanne Jones
Bureau of Rules and Regulations
Illinois Department of Public Aid
100 South Grand Avenue East, Third Floor
Springfield, IL 62762
(217) 524-0081

The full text of the Adopted Rules begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER d: MEDICAL PROGRAMS

PART 142
MEDIPLAN PLUS

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SUBPART D: MANAGED CARE ENTITY COVERED SERVICES, EXCLUDED SERVICES AND BENEFIT EXPLANATION REQUIREMENTS

Section	Services Provided by a Managed Care Entity
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142.500 Rate Determination for Enrolled Managed Care Providers
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SUBPART F: QUALITY ASSURANCE

Section
142.700 Quality Assurance; Duties of the Managed Care Entity
142.710 Avoidance of Conflict of Interest
142.720 Enrollee Grievance and Appeals Process
142.730 Provider Grievance Procedure

SUBPART G: SANCTIONS

Section
142.800 Sanctions
TABLE A ICD-9-CM Codes for Chronic and Acute Conditions of Childhood
TABLE B Mental Illness Diagnoses

AUTHORITY: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13] and Public Act 88-554.

SOURCE: Adopted at 21 Ill. Reg. 2246, effective FEB 03 1999.

SUBPART A: GENERAL PROVISIONS

Section 142.100 General Description

This Part implements Section 5-16.3 of the Public Aid Code [305 ILCS 5/5-16.3], which was added by Public Act 88-554, and which authorizes the Department to administer an integrated health care program. That program is known as MediPlan Plus. MediPlan Plus is intended to encourage the integration of health care services and the management of the health care of Enrollees while preserving reasonable choice within a competitive and cost-efficient health care environment.

Section 142.110 Definitions

For purposes of this Part, the following terms shall be defined as follows:

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"Act" means Public Act 88-554.

"Affiliate" means a Person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. Control includes the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, the holding of proxies, by contract, or otherwise. Control is presumed to exist if any Person, directly or indirectly, owns, controls, holds the power to vote, or holds proxies representing five percent or more of the voting securities of any other Person.

"Bankruptcy Code" means 11 U.S.C. 101 et seq.

"Bankruptcy Proceeding" means any voluntary or involuntary proceeding commenced by a petition for relief under the Bankruptcy Code.

"Care Coordinating Provider" means a physician, licensed to practice medicine in all its branches, responsible for directing, tracking and monitoring the health care needs of Enrollees and authorizing and coordinating care across the full range of Medical Assistance Program covered services for Enrollees.

"Cash" means United States currency.

"Cash Equivalents" means shares in money market funds that have the highest available rating by two nationally recognized rating agencies and maintain a net asset value of one dollar per share.

"Certified Pediatric Ambulatory Care Center (CPACC)" means a health facility that meets the requirements of 89 Ill. Adm. Code 140.461(f)(1)(D).

"Client" means any person eligible for Medical Assistance under Article V of the Illinois Public Aid Code.

"Closed Contracting Area" means a Contracting Area that has met the statutory requirements for mandatory enrollment of Eligible Enrollees in MediPlan Plus.

"Contracting Area" means a geographic area determined by the Department for the purposes of contracting with Managed Care Entities.

"County HMO" means a Health Maintenance Organization (HMO) that is owned or operated by an Illinois county with a population greater than three million that meets the requirements of Section 142.532 of this Part.

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"County MCCN" means a Managed Care Community Network (MCCN) that is owned or operated by an Illinois county with a population greater than three million that meets the requirements of Section 142.532 of this Part.

"Credit Enhancement" means a letter of credit issued by an Illinois bank that is qualified and approved by the Department, the long-term securities of which have and maintain one of the two highest credit rating categories of Standard & Poor's Ratings Group or Moody's Investors Service, Inc., or a financial guaranty issued by an insurance company that is qualified and approved by the Department, the long-term securities of which have and maintain one of the two highest credit rating categories of Moody's Investors Service, Inc., or Standard and Poor's Ratings Group, or any other form of Credit Enhancement acceptable to the Department.

"Department" means the Illinois Department of Public Aid and any successor agencies.

"Disclosing Entity" means a Managed Care Entity or an Enrolled Managed Care Provider, as defined in this Section.

"Eligible Enrollee" means any Client, except as excluded in Section 142.300, who lives in a Contracting Area in which MediPlan Plus has been implemented and is eligible to receive aid under one of the following programs:

Aid to the Aged, Blind, or Disabled (AABD). Individuals who are over 64 years of age, or blind, or disabled and who have countable income and assets at or below Department standards for cash or medical assistance.

Aid to Families with Dependent Children (AFDC) who have countable income and assets at or below the Department standards for cash or medical assistance.

Individuals eligible under the provisions set forth in 89 Ill. Adm. Code 112.330; Extension of Medical Assistance due to increase of income from employment, and 89 Ill. Adm. Code 112.331; extension of Medical Assistance due to child support collections.

Low income pregnant women and children born October 1, 1983 or after who have countable income and assets at or below the Medical Assistance standard and are eligible under the provisions set forth in 89 Ill. Adm. Code 120.392.

Children in foster care, receiving adoption assistance or in

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subsidized guardianships through the Department of Children and Family Services.

"Emergency Care" means the provision of those health care services for a medical condition of recent onset and severity that would lead a prudent lay person, possessing an average knowledge of medicine and health, to believe that urgent or unscheduled medical care is required. Determinations of levels of service shall be based upon the symptoms and condition of the Enrollee at the time the Enrollee is initially examined by the physician and not upon the final determination of the Enrollee's actual medical condition.

"Enrolled Managed Care Provider (EMCP)" means a health care Provider who has enrolled with the Department, has met the requirements of 89 Ill. Adm. Code 140.11 and 140.12, and has agreed to manage the health care of Enrollees who have selected them as a Provider. Only the following are eligible to be Enrolled Managed Care Providers:

A physician who is licensed to practice medicine in all its branches.

Federally Qualified Health Centers (FQHCs).

Rural Health Clinics (RHCs).

Certified Pediatric Ambulatory Care Centers (CPACCs).

"Enrollee" means any Client for whom the Department has arranged for health care under MediPlan Plus through a Managed Care Entity or an Enrolled Managed Care Provider.

"Federally Qualified Health Center (FQHC)" means a health center that meets the requirements of 89 Ill. Adm. Code 140.461(d).

"Governing Interest" means a Person who is a sponsor, member, incorporator, partner, owner or sole proprietor of an MCCN or an HMO, or such Person or a representative thereof, who is an officer or director of the governing board of an MCCN or HMO. Members of an association of physicians and hospital(s), organized as a viable legal entity under applicable State law, that has an Ownership or Controlling Interest in an MCCN or HMO are considered to have a Governing Interest in the MCCN or HMO.

"Health Maintenance Organization (HMO)" means a Health Maintenance Organization as defined in the Health Maintenance Organization Act [215 ILCS 125].

"ICD-9-CM" means the International Classification of Diseases, 9th revision, Clinical Modification.

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"Managed Care Community Network (MCCN)" means an entity, other than an HMO, that meets the qualifications under Section 142.220 and provides or arranges primary, secondary, and tertiary health care services under contract with the Department exclusively to Enrollees of MediPlan Plus.

"Managed Care Entity (MCE)" means a Health Maintenance Organization or a Managed Care Community Network or a Prepaid Health Plan under contract with the Department.

"Marketing" means activities, materials or information used to promote enrollment into one particular health care option.

"Medical Assistance" means medical benefits provided under Article V of the Illinois Public Aid Code.

"MediPlan Plus" means the program administered under Article V of the Illinois Public Aid Code [305 ILCS 5/5-16.3], Title XIX of the Social Security Act [42 U.S.C. Section 1396 et seq.], and related federal and State rules and regulations.

"Non-Acknowledging Related Provider" means a Related Provider who has failed to execute and deliver to the Department an express written acknowledgment, in a form acceptable to the Department, that it will not make a claim against the Department or the trust account for any Statutory Payment Obligations and shall not seek to enforce in any forum any rights that an Unrelated Provider may otherwise assert or have under Section 5-16.3 of the Illinois Public Aid Code [305 ILCS 5/5-16.3] or this Part.

"Ownership Interest" means an investment in an entity with such investment interest being represented by, but not limited to, the ownership of voting shares, non-voting shares, common stock, preferred stock, debt instruments issued by such entity, limited or general partnership interests or such other equity interests as may be authorized by law.

"Party In Interest" means:

Any director, officer, partner, or employee responsible for management or administration of an MCE or EMCP;

Any person who is directly or indirectly the beneficial owner of five percent or more of the equity of the organization;

Any person who is the beneficial owner of a mortgage, deed of trust, note, or other interest secured by, and equal to, five percent or more of the MCE or EMCP, and, in the case of an MCE or

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EMCP organized as a not-for-profit corporation, an incorporator or member of such corporation under applicable State corporation law;

Any entity in which a person described above as a Party In Interest:

is an officer or director;

is a partner (if such entity is organized as a partnership); has directly or indirectly a beneficial interest of five percent or more of the equity; or

has a mortgage, deed of trust, note, or other interest valuing five percent or more of the assets of such entity;

Any person directly or indirectly controlling, controlled by, or under common control with an MCE or EMCP; or

Any spouse, child, or parent of an individual described above. In the case of a physician EMCP, a spouse, child or other family member shall not be considered a Party In Interest.

"Person" means any individual, corporation, proprietorship, firm, partnership, limited partnership, trust, association, governmental authority or other entity, whether acting in an individual, fiduciary or other capacity.

"Person With An Ownership Or Control Interest" means an individual or corporation that:

Has an Ownership Interest equal to five percent or more in a Disclosing Entity;

Has an indirect Ownership Interest equal to five percent or more in a Disclosing Entity;

Has a combination of direct and indirect Ownership Interest equal to five percent or more in a Disclosing Entity;

Owens an interest of five percent or more in any mortgage, deed of trust, note, or other obligation secured by the Disclosing Entity if that interest equals at least five percent of the value of the property or assets of the Disclosing Entity;

Is an officer or director of a Disclosing Entity that is organized as a corporation; or

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Is a partner in a Disclosing Entity that is organized as a partnership.

"Plan" means any MCE's or EMCP's program for providing services under MediPlan Plus.

"Prepaid Health Plan (PHP)" means an entity that provides medical services to Enrollees under contract with the Department pursuant to the provisions of 42 CFR Part 434 and Section 142.240 of this Part.

"Provider" means a Person who is approved by the Department to furnish medical, educational or rehabilitative services to Clients under the Medical Assistance Program.

"Related Provider" means a Provider with an Ownership Interest or Governing Interest in an MCCN or an HMO, or is commonly controlled or employed by a Person with such an interest.

"Rural Health Clinic (RHC)" means a health center which meets the requirements of 89 Ill. Adm. Code 140.461(c).

"Trustee" means an Illinois financial institution as defined in the Consumer Deposit Account Act [205 ILCS 605], including a national bank having its principal place of business in Illinois, authorized or designated by the Department with the fiduciary obligations and responsibilities to act as trustee for a trust account pursuant to the terms of a trust agreement.

"Urgent Care" means health care needed for a condition that does not require Emergency Care but for which, based on medical appropriateness, treatment must be provided within the same or the next day and should not wait for a normally scheduled appointment.

SUBPART B: ELIGIBLE PROVIDERS

Section 142.200 Managed Care Entity (MCE)

a) To qualify as an MCE, an organization must be one of the following:

- 1) An HMO which meets the requirements of the Health Maintenance Organization Act [215 ILCS 125], including rules promulgated by the Illinois Department of Insurance (50 Ill. Adm. Code 6101), the Illinois Department of Public Health (77 Ill. Adm. Code 240) and Section 142.230 of this Part.
 - 2) An MCCN which meets the requirements for MCCNs as specified in this Part.
 - 3) A PHP which meets the requirements of Section 142.240 of this Part.
- b) To participate in MediPlan Plus, an MCE must, in addition to any other

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Department requirements:

- 1) Execute a written contract with the Department.
- 2) Meet each of the requirements set forth in this Part as applicable.
- 3) Include the following language in any subcontract with an FQHC: "The payment terms agreed to and accepted by the FQHC subcontractor during the term of the subcontract shall be considered payment in full, and the FQHC shall have no further recourse for collecting payment in excess of the agreed upon rate from the MCE or the Department for the services provided to the MCE's Enrollee." Subcontracts that fail to include the statement shall not be approved by the Department and shall be voidable at the discretion of the Department.
- 4) Contract only with health care providers.
- 5) Refrain from subcontracting with health care providers that, based upon reasonable knowledge, are terminated, barred, suspended or otherwise excluded from participation, or had voluntarily withdrawn as the result of a settlement agreement, in any program under Titles XVIII, XIX, or XX of the Social Security Act, from performing any services under this Part.
- 6) Provide that the pharmacy formulary used by the MCE and its contracted Providers be no more restrictive than that used in the Department's pharmaceutical program [305 ILCS 5/5-16.3(d)(14)] and must provide a mechanism whereby a prescribing physician can request approval of an off-formulary drug for an Enrollee. This mechanism should provide for a response by telephone or other telecommunications device immediately in the case of emergencies and, in other cases, within 24 hours after the request for items covered in the Department's pharmaceutical program which require prior authorization and for off-formulary drugs prescribed by a physician under this mechanism. The MCE must provide a process for appealing denials of prescription drug coverage that is timely and not unduly cumbersome.
- 7) Agree not to require a pharmacist to substitute a drug that is not strictly bioequivalent to the one prescribed, without the prescriber's explicit authorization.
- 8) Agree that no Person who is terminated, suspended, barred or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in any program under Titles XVIII, XIX, or XX of the Social Security Act may hold an Ownership, Governing, or controlling interest of five percent or more in an MCE.
- 9) Reimburse the Department for any overpayments which the MCEs were not otherwise entitled to receive from the Department or payments from the Department received in violation of any term of a signed contract with the Department. The MCE shall return any overpayment to the Department within 40 calendar days after the date of the discovery of the overpayment by the Provider, an

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independent auditor, or after notification of the overpayment by the Department. At the discretion of the Department, the amount of the overpayment may be offset from future payments.

- 10) Provide integration with community-based programs provided by certified local health departments such as Women, Infants, and Children Supplemental Food Program (WIC), childhood immunization programs, health education programs, case management programs, health screening programs, family planning providers and any organization that has operated within a Medicaid partnership as defined by the Department [305 ILCS 5/5-16.3(d)(3)].

- 11) Comply with the requirements of 305 ILCS 5/5-16.3(d).

- 12) With the exception of a local health department owned or operated by an Illinois county with a population greater than three million, an MCE must comply with either subsection (b)(12)(A), (B) or (C) below. (At least one of the options listed below must apply to all health departments providing services to residents within the MCE's Contracting Area. Capitation rates to MCEs will be adjusted pursuant to Section 142.502(a)(6) to the extent that services are provided through a certified local health department and not reimbursed by an MCE.)

- A) Subcontract with certified local health departments to provide vision, hearing, screening, and well-child visits;
- B) Subcontract with certified local health departments to provide comprehensive care as a primary care site; or

- C) Have a linkage agreement with the certified local health departments for the coordination of care to its Enrollees.

- 13) Ensure that all of its Enrollees have a Care Coordinating Provider choice that is located within 30 minutes or no more than 30 miles of the Enrollee's residence.

- 14) Ensure Provider facilities are accessible, as mandated by applicable federal and State law, including, but not limited to, the Americans with Disabilities Act. This accessibility shall include, but is not limited to ensuring that communications are accessible by making TTY telephones available and providing appropriate interpreter services for Enrollees with hearing impairments and by making printed materials available in large print, Braille or audiotape for Enrollees with vision impairments.

- 15) In no way prohibit, take adverse action against, or discourage Providers from discussing any alternative health care services and Providers, utilization review and quality assurance policies, terms and conditions of Plans, and Plan policy with Enrollees, prospective Enrollees, Providers, Plans, or the public.

- 16) Must not contractually prohibit a Provider from contacting an Enrollee to explain how the Enrollee may change his or her Medicaid Plus Provider choice to maintain the Enrollee's relationship to the Provider when the Provider's subcontract with the MCE ceases.

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- 17) Integrate and coordinate services, and cooperate in the exchange of health care information with providers of services under the Illinois Department of Public Health's Family Case Management Program.

- 18) Cooperate fully with any fraud and abuse investigation.

- c) An MCE that requires an Enrollee to designate a Care Coordinating Provider shall also permit a female Enrollee to designate a Care Coordinating Provider for woman's health care. If an Enrollee has designated a Care Coordinating Provider for woman's health care, then the Enrollee must be given direct access to the Care Coordinating Provider for woman's health care for obstetrical or gynecological care or care for fetal or neonatal complications covered by the MCE without the need for a referral or prior approval by any other Provider of health care services or the MCE.

- d) The Department may, within Contracting Areas, limit the number of MCEs it contracts with and may specify a maximum and minimum enrollment capacity per MCE.

Section 142.205 Medical Records Requirements

- a) An MCE or EMCP must ensure that medical records for each Enrollee contain sufficient documentation to establish compliance with the participation requirements relating to the rendering of health care services to Enrollees. The medical records shall include documentation of all immunizations, screenings, risk assessments and results, known to the Care Coordinating Provider. If the Enrollee is referred for health care services, the record shall contain documentation of the referral, Enrollee compliance or non-compliance with the referral, to the extent of the Care Coordinating Provider's knowledge, and any report received by the Care Coordinating Provider related to health care services received by the Enrollee from the referral. Medical records must include Provider identification and Enrollee identification. All entries in the medical record must be legible and dated, and the following, where applicable, shall be included:

- 1) Personal health, social history and family history, with updates as needed;
- 2) Obstetrical history or profile, if any;
- 3) Date and site of hospital admissions and discharges;
- 4) Relevant history of current illness or injury (if any) and physical findings;
- 5) Diagnostic and therapeutic orders;
- 6) Clinical observations, including results of treatment;
- 7) Reports of procedures, tests and results;
- 8) Patient disposition and pertinent instructions to patient for follow-up care;
- 9) Immunization record;
- 10) Allergy history;

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- 11) Early Periodic Screening, Diagnosis and Treatment (EPSDT) program record;
 - 12) Routine adult exams;
 - 13) Growth chart;
 - 14) Referral information, if any;
 - 15) Advance directives;
 - 16) Health education provided; and
 - 17) Family planning or counseling provided.
- b) An MCE or EMCP must locate and transfer to other Providers, without charge, at the request of the Department, other authorized State agencies or the Enrollee, a copy of an Enrollee's medical records. An MCE or EMCP shall not transfer a medical record for which an appropriate release has not been obtained from the Enrollee, parents or legally appointed guardian.

Section 142.220 Organization, Financial and Reporting Requirements for Managed Care Community Networks (MCCN)

a) Structure

- 1) The Managed Care Community Network (MCCN) shall be a separate entity organized as a corporation, limited liability company, or partnership under the laws of this State for the purpose of operating an MCCN and doing no business other than that of an MCCN except for a County MCCN. This separate entity shall survive any contract termination between the MCCN and the Department until such time as all obligations to the Department, Unrelated Providers, and the trust account are satisfied.
- 2) If organized as a stock corporation or limited liability company, 100 percent of all voting shares must be owned by, or 100 percent of all members in the limited liability company must be, providers of health care services who are subject to licensure by the Illinois Department of Professional Regulation, or who are subject to licensure or certification by the Illinois Department of Public Health, the Illinois Department of Mental Health and Developmental Disabilities or the Illinois Department of Alcoholism and Substance Abuse, or be a corporation where 100 percent of its voting shares, or a limited liability company with 100 percent of its members who, are owned by such providers of health care services.
- 3) If organized as an Illinois not-for-profit corporation, the governing body must be constituted by at least 80 percent of providers of health care services who are subject to licensure by the Illinois Department of Professional Regulation, or who are subject to licensure or certification by the Illinois Department of Public Health, the Illinois Department of Mental Health and Developmental Disabilities or the Illinois Department of Alcoholism and Substance Abuse, or be employees or officers of such providers of health care services. For the purpose of this

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- subsection, a State-owned medical school shall be a provider of health care services.
- 4) If organized as a partnership, all limited and general partners must be providers of health care services who are subject to licensure by the Illinois Department of Professional Regulation, or who are subject to licensure or certification by the Illinois Department of Public Health, the Illinois Department of Mental Health and Developmental Disabilities or the Illinois Department of Alcoholism and Substance Abuse, or be a corporation where 100 percent of its voting shares are owned by said providers of health care services.
- b) Financial Requirements
- 1) Net Worth

All contracting MCCNs must have and maintain at all times Net Worth of at least five percent of the total capitated payments per year as accruing during the first contract year and thereafter calculated and based upon the MCCN's experience in its immediate prior fiscal year. The Net Worth of an MCCN need not be greater than \$2 million during any contract year.

 - A) For the first six months of the first contract year, Net Worth shall not be less than:
 - i) \$500,000 for MCCNs contracting in a county with a population of over three million, or
 - ii) \$125,000 for all other MCCNs.
 - B) For the last six months of the first contract year, Net Worth shall not be less than:
 - i) \$750,000 for MCCNs contracting in a county with a population of over three million, or
 - ii) \$187,500 for all other MCCNs.
 - C) For the second and all subsequent contract years, Net Worth shall not be less than:
 - i) \$1,000,000 or more than \$2,000,000 for MCCNs contracting in a county with a population of over three million, or
 - ii) \$250,000 or more than \$2,000,000 for all other MCCNs.
 - D) Net Worth is to be determined in accordance with generally accepted accounting principles. Net Worth may not include receivables from:
 - i) Providers having an Ownership or Governing Interest in the MCCN;
 - ii) Affiliates of such Providers; or
 - iii) any other Affiliates of the MCCN in an aggregate amount greater than ten percent of Net Worth.
 - E) When MCCNs arrange for or authorize medical services by Out-Of-MCCN Providers and the cost to the MCCN of such Out-Of-MCCN Medical Services exceeds \$1,000,000 per year, excluding the cost of any reinsurance, for the MCCN's total Enrollee population under the MediPlan Plus program, the

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MCCN shall maintain an additional Net Worth of 25 percent where such Out-Of-MCCN Medical Services exceed \$1,000,000 up to a maximum amount of an additional Net Worth of \$1,250,000. Out-Of-MCCN Medical Services shall include:

- i) Medically necessary treatment for an acute condition for which the MCCN has no Provider in-network and for which proper referral authorization has been given;
- ii) Out-Of-MCCN Emergency Care; and
- iii) An Enrollee receiving treatment from an Out-Of-MCCN Provider for which proper referral authorization has been given by the MCCN and is not an emergency.

2) An MCCN that falls below the requirements set forth in subsection (b)(1) above shall be provided with written notice by the Department of such failure. The MCCN shall have 30 days from the date of the notice to meet its Net Worth requirements. The MCCN must provide the Department, within the 30 days, adequate documentation of its rehabilitation of the Net Worth. If the MCCN fails to rehabilitate its Net Worth within the 30 days, the Department may freeze enrollment, unless the Department extends the time. Nothing in this Section shall prohibit the Department from imposing any other available sanctions after the expiration of the 30 days.

3) Claims Liabilities. Every MCCN shall, at all times, record as liabilities in an amount estimated in the aggregate to provide for the payment of all claims incurred, and any due and unpaid provider capitation, whether reported or unreported, which is unpaid and for which such MCCN is or may be liable, and to provide for the expense of adjustment or settlement of such claims. Each contracting MCCN shall provide the Department annually with a written opinion by an actuary who is an associate or a fellow of the Society of Actuaries or a member of the American Academy of Actuaries and who has expertise and experience in medical insurance that this estimated claims liability is calculated in accordance with accepted actuarial principles.

4) Establishment of Trust Account

- A) Each MCCN, other than a County MCCN, shall fund and maintain such funding of a trust account established by the Department for purposes of protecting Unrelated Providers. An Illinois financial institution as defined in the Consumer Deposit Account Act [205 ILCS 605] authorized or designated by the Department shall act as the Trustee and the Department, in its discretion, shall have administrative and exclusive directive authority over the Trustee and the funds deposited into such trust in accordance with this Part, the applicable statutory provision and the implementing trust documents. Except as otherwise provided herein, the funds in the trust account shall be for the benefit of and

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available only to satisfy the MCCN's payment obligations to the Trustee, the Department and, in the event the MCCN becomes subject to a Bankruptcy or Insolvency Proceeding, any Unrelated Providers. This trust account shall also be available in the event that the contract between the MCCN and the Department terminates, without regard to why the contract terminates or which party is responsible for such termination. The Department shall be an additional beneficiary of the trust to the extent of its payments to or contingent payment obligations to Unrelated Providers with respect to their Allowed Claims against the MCCN, as well as any and all of its costs or expenses incurred in relation to its administrative oversight, including, without limitation, any enforcement action, Bankruptcy or Insolvency Proceeding involvement or payment under this Part. In connection therewith, distributions from a trust established hereunder shall be in accordance with the following order of priority:

- i) to the payment of any otherwise unsatisfied amount of the Statutory Payment Obligations to an Unrelated provider with an Allowed Claim, or the assignee of such claim;
- ii) to the payment of the pro rata amount owed to any Unrelated Provider with an Allowed Claim, or authorized assignee of such claim, who has an otherwise unsatisfied or deficiency claim after all Statutory Payment Obligations have been satisfied;
- iii) to the payment of the fees, costs and expenses of a Trustee, including those of its agents, attorneys or other professionals, for actions taken pursuant to a trust agreement;
- iv) to the payment of the fees, adjustments and sanctions in the event of termination of the contract, and costs or expenses incurred by the Department, in any event, including without limitation, those of its agents, attorneys or other professionals, as a consequence of its administration or enforcement of the trust account or otherwise pursuant to this Part; and
- v) any remaining monies left in the trust shall be subject to return by the Trustee to the MCCN after the MCCN ceases to provide health care services to Enrollees under this Section and after the Department is satisfied that the Allowed Claim amounts owed to Unrelated Providers by the MCCN, as well as any amounts due the Trustee or Department, have been satisfied.

B) In the event that the contract terminates for any reason except insolvency or bankruptcy of the MCCN, the trust fund shall be maintained for a period of 14 calendar months, such

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months beginning on the date of termination. The MCCN entity must give written notice of such termination to all Unrelated Providers within 30 days after the date of termination. Disbursement of the funds in the trust account in the event of a contract termination, and where no Insolvency or Bankruptcy Proceeding has been initiated within 12 months after the contract termination, shall be in accordance with subsection (b)(4)(A)(iv) above. After the 12 month period has elapsed, any remaining funds in the trust account shall be returned to the MCCN entity.

C) The assets of the trust shall consist of Cash and, at the discretion of the Department and in such percentages as permitted by the Department, Cash Equivalents or Credit Enhancements in an aggregate amount equal to the following:

i) for its first year as an MCCN under this Section, the projected quarterly average of the MCCN's outstanding medical care costs owed to Unrelated Providers and Non-Acknowledging Related Providers, including, but not limited to, capitated payments and fee-for-service medical care costs owed to Unrelated Providers and Non-Acknowledging Related Providers, or

ii) for each year thereafter the actual quarterly average of such outstanding medical care costs to be recalculated and adjusted on a quarterly basis in accordance with accepted actuarial principles within 30 days after the end of each fiscal quarter for each year thereafter plus at least five percent of the total capitated payments per year as they accrue during the first contract year and thereafter based upon the prior fiscal year of the MCCN.

D) Each MCCN shall receive a written notice from the Department of the amount which it is required to deposit in the trust account. Such amounts must be submitted to the Trustee within 14 calendar days from the date of such notice. If the MCCN fails to submit these funds, then the MCCN must meet the requirements of Section 142.220(b)(4)(H). Should the MCCN fail to submit the required amount within the 14 days, the Department may withhold the required amount from future capitation payments and the Department shall then forward the withheld required amount to the Trustee. Any such action by the Department is in addition to the sanctions set forth in Section 142.220(b)(4)(I).

E) The amount segregated into such a trust may be included in the determination of the Net Worth of the entity. An MCCN's use of Credit Enhancements may not exceed such percentage of the required funding of the trust as may be allowed by the Department in its sole discretion under subsection (b)(4)(C) above. Cash Equivalents shall be marked to market or

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revalued on a monthly basis and shall be replenished by the relevant MCCN within two days after notice thereof to the extent their value decreases by two percent or more from that portion of the required funding level in the trust account which they represented or satisfied.

F) All Cash or Cash Equivalents received or held by a Trustee under the provisions of a trust agreement established under this Section shall be "trust funds" under this Section and shall not be subject to lien or attachment by any creditor of an MCCN or creditor of a Trustee or of any individual Unrelated Provider, or any other creditors of any other beneficiary thereunder. The Department, on behalf of itself and Unrelated Providers, and the Trustee, however, are specifically permitted to have a lien on such assets to the extent of payments due to each of them under the relevant trust agreement. Such trust funds shall be held in trust and applied in accordance with the provisions of this Part or any further regulations promulgated by the Department and the relevant trust agreement.

G) An MCCN shall have six months from the date of notice from the Department to fund fully the trust to the amounts required under subsection (b)(4)(C) of this Section, but in any event such funding shall be at least the following fraction of the quarterly average:

By End Of	Fraction
1st Month	One-sixth
2nd Month	One-third
3rd Month	One-half
4th Month	Two-thirds
5th Month	Five-sixths
6th Month	100 percent

H) Each MCCN shall at all times insure that the trust described in this Section is funded at the level required under this Section. An MCCN that fails to maintain this funding level must:

- i) File with the Department a plan for correction of the deficiency within 14 calendar days as set forth in subsection (b)(4)(D) above, approved by the Department, and
 - ii) Correct the deficiency within a reasonable time, not to exceed 30 days from the filing of such plan for correction, unless, due to extraordinary circumstances, an extension of time, not to exceed 60 additional days, is granted by the Department.
- I) Failure to correct the deficiency within the time limit

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specified in subsection (b)(4)(H)(ii) above shall allow the Department to impose any or all of the following sanctions:

- i) Withhold an amount equal to ten percent of all monthly payments due the MCCN for the noncompliance with the Department's request.
 - ii) Remove the MCCN from the list of qualified Providers for the following contract period, precluding a contract between the MCCN and the Department.
 - iii) Freeze enrollment in, or addition of new sites to, the MCCN.
 - iv) Exercise the termination provisions of the contract between the Department and the MCCN.
- J) Should an MCCN fail to pay the amount set forth in subsection (b)(4)(C) above and fail to file a corrective plan as set forth in subsection (b)(4)(H) above, the Department shall impose any or all of the sanctions set forth in subsections (b)(4)(I)(i) through (iv) above.
- K) In the event that any of the sanctions in subsection (b)(4)(I) shall occur, the MCCN shall immediately notify its subcontract Providers that such penalty was imposed and shall provide the Department with a list of such Providers.

5) Reimbursement of Fees and Costs

- A) The MCCN shall be obligated to reimburse the Department and the Trustee, upon request, for all reasonable expenses, disbursements and advances incurred or made by the Department or Trustee in accordance with any provision hereof or an approved trust agreement, including the reasonable compensation and the expenses and disbursements of their agents, counsel and professionals. All such payments and reimbursements shall be made with interest at the Illinois statutory rate for unsatisfied judgments, as prescribed in Section 2-1303 of the Code of Civil Procedure [735 ILCS 5/2-1303].

- B) As security for the performance of the obligations of the MCCN hereunder to reimburse the fees and costs of the Department and Trustee, the Department on behalf of itself, Unrelated Providers, and Trustee shall have a lien prior to any Unrelated Provider and the MCCN upon all property and funds held in a trust.

- C) The Department and the Trustee are additional express beneficiaries of a trust created hereunder to the extent necessary to be reimbursed from such trust for any amounts due the Department or Trustee from the MCCN.

- 6) Department Obligations in the Event of MCCN Bankruptcy or Insolvency. If an MCCN, other than a County MCCN, is made subject to a Bankruptcy Proceeding under the Bankruptcy Code or an Insolvency Proceeding, then after liquidation and application of any available assets, resources, and reserves in the estate of

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the MCCN or from any other source, the Department shall:

- A) Pay the amounts of the Statutory Payment Obligations under this subsection (b)(6), calculated based on the total amount owed by the MCCN to Unrelated Providers before application in the Bankruptcy or Insolvency Proceeding of any available assets, resources, any other reserves and funds in the trust account.
- B) Only after application of any available assets, resources, any other reserves and trust funds, pay any remaining unsatisfied amounts of the Statutory Payment Obligations in the event of a bankruptcy or insolvency of an MCCN, other than a county MCCN. Statutory Payment Obligations shall be subject to amendment of the relevant statutory provision. The Department shall pay that portion of the amounts owed by an MCCN to Unrelated Providers for services rendered to Enrollees under MediPlan Plus in an amount based on the following schedule:
 - i) From April 1, 1995, through June 30, 1998, 90 percent of the remaining Allowed Claim amounts owed;
 - ii) From July 1, 1998, through June 30, 2001, 80 percent of the remaining Allowed Claim amounts owed; and
 - iii) From July 1, 2001, through June 30, 2005, 75 percent of the remaining Allowed Claim amounts owed.
- C) After June 30, 2005, the Department will not pay any amounts owed to Unrelated Providers as a result of a Bankruptcy or Insolvency Proceeding of an MCCN filed after that date.
- D) The Department is not obligated, at any time, to pay amounts owed to a Provider that has an Ownership or other Governing Interest in the MCCN. Further, this Section applies only to MCCNs and the services they provide under MediPlan Plus [305 ILCS 5/5-16.3(n)].
- E) Required Notices. Any MCCN, other than a County MCCN, which becomes subject to Bankruptcy or Insolvency Proceedings must provide written notification of such events within 30 days after such proceedings to all Providers within its MCCN network. Such notice shall contain an explanation of an Unrelated Provider's rights to submit an Allowed Claim. In order to preserve its claim or rights relating to Statutory Payment Obligations, in any Bankruptcy or Insolvency Proceeding by an MCCN, each Unrelated Provider and any assignee of an Unrelated Provider's rights hereunder, shall file a timely notice with the Department that conforms either to the official proof of claim form that may be used in the Bankruptcy or Insolvency Proceeding, or which otherwise contains at least the following information:
 - i) name and address of the Unrelated Provider;
 - ii) brief discussion of dates and type of services provided to a bankrupt or insolvent MCCN that forms

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the basis of an alleged claim;

- iii) indicates the amount of the claim and whether it is disputed, contingent or subject to off-set; and
- iv) discloses whether the claim has been purchased, transferred, pledged or otherwise assigned.

F) To be timely, such notice must be sent to the Department within six months after the commencement of the Bankruptcy or Insolvency Proceeding at the following address:

Illinois Department of Public Aid
Attention: Chief, Bureau of Managed Care
201 South Grand Avenue East
Springfield, Illinois
62763-0001

G) Assignability of Allowed Claims. Except as otherwise prohibited by applicable law, the Department or any other entity may purchase an Allowed Claim of an Unrelated Provider and thereby become subrogated to such Unrelated Provider's rights to recover on its Allowed Claim, including the right to seek payment from a trust.

7) Annual CPA Audit Report. Each contracting MCCN shall be audited annually by a licensed independent certified public accountant. Such annual audit is to be performed in accordance with generally accepted accounting standards. The audit report is to contain the auditor's opinion as to the MCCN's compliance with the trust requirements contained in subsection (b)(4) above and an independent actuarial certification of incurred, but not reported, liabilities. Such annual audit report is to be filed with the Department within three months after the end of the MCCN's fiscal year.

8) Standards for transactions with Affiliates

All material transactions between an MCCN and its Affiliates, or among Affiliates of an MCCN, must contain fair and reasonable terms, and all charges, or fees, for services performed must be reasonable. All expenses incurred and payments received must be allocated in conformity with generally accepted accounting principles, consistently applied, and all books, accounts and records must clearly and accurately disclose the precise nature and details of the transactions. The Net Worth of an MCCN, including any Affiliate thereof, must be reasonable in relation to the MCCN's, or such Affiliate's, outstanding liabilities and adequate to meet its financial needs after the following:

- A) a transaction with an Affiliate,
 - B) dividends or distributions to persons with an Ownership Interest, or
 - C) dividends or distributions to Affiliates.
- 9) Prior notification of transactions
- A) An MCCN, or any Affiliate thereof, may not enter into the following transactions unless the MCCN, or such Affiliate,

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notifies the Department in writing of its intent to enter into such transaction at least 30 days prior thereto, or such shorter period as the Department may permit, and the Department has not disapproved the transaction within such period:

- i) sales, purchases, exchanges of assets, loans or extensions of credit, guarantees, investments or any other transaction involving the transfer of assets from or liabilities to a Person equal to or exceeding five percent of the MCCN's Net Worth;
- ii) all management agreements, service contracts, cost-sharing arrangements and all contracts providing for the rendering of services on a regular systematic basis;
- iii) any series of transactions in subsection (b)(9)(A)(i) or (ii) above that are substantially similar to each other and that take place within any 180 day period and that in total are equal to or exceed five percent of the MCCN's Net Worth; or
- iv) any other transaction that the Department determines, in its discretion, is material.

B) Nothing herein authorizes or permits any transaction that is otherwise contrary to law.

C) An MCCN, or any Affiliate thereof, may not pay an extraordinary dividend or any extraordinary distribution to a Person with an Ownership Interest unless at least 30 days prior to the payment of the dividend or distribution the MCCN, or such Affiliate, notifies the Department of the dividend or distribution in writing. An extraordinary dividend or distribution is any such payment whose fair market value, together with all other dividends or distributions made within 12 months prior to the date on which the proposed payment is scheduled to be made, exceeds the net income of the MCCN for the preceding 12 months.

c) Definitions. For purposes of this Section:

- 1) "Allowed Claim" means any claim for services rendered within ten days after notification to the Provider by the MCCN prior to the commencement of a Bankruptcy or Insolvency Proceeding of an MCCN, or which has been or hereafter is listed by an MCCN on its bankruptcy or insolvency schedules or amended schedules as liquidated in amount and non-disputed or non-contingent and is therefore deemed allowed or for which a proof of claim was timely and properly filed before the bar date or otherwise deemed properly filed in Insolvency Proceeding or Bankruptcy Court, and, in either such case, a claim as to which no objection to the allowance thereof has been interposed on or before the applicable period of limitation fixed by the Bankruptcy Code or the Plan confirmed by a bankruptcy court, or as to which any objection has

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been determined by a final and non-appealable order of the bankruptcy court to the extent such objection has been determined in favor of a claimant. Any Unrelated Provider for whom the MCN fails to give notice as set forth in subsection (b)(6)(E) above shall have an Allowed Claim for any services rendered within 40 days after commencement of a Bankruptcy or Insolvency Proceeding. Without limiting the foregoing, an Allowed Claim shall not include any interest on such claim for the period from and after the petition date, nor shall such claim include any claim which may be disallowed either in an Insolvency Proceeding or under Section 502(d) of the Bankruptcy Code, as it may hereafter be amended or superseded and in effect from time to time.

2) "Insolvency Proceeding" means any proceeding or hearing, whether administrative or in a court of competent jurisdiction, brought for the purpose of:

- A) rehabilitating, liquidating or dissolving an MCN where such MCN has failed to or can no longer in the future be financially responsible and may reasonably be expected to be unable to meet its obligations to Enrollees;
- B) the MCN does not arrange for or provide for covered services;
- C) the MCN is found to be in a condition which does not meet the financial and Net Worth requirements of these rules, including all trust account requirements; or
- D) has commenced, or has attempted to commence, any voluntary liquidation or dissolution proceeding or any proceeding to procure the appointment of a receiver, liquidator, rehabilitator, sequestrator, or a similar officer for itself.

3) "Net Worth" means, as determined in accordance with generally accepted accounting principles, with respect to any entity, the consolidated Net Worth of such entity after subtracting therefrom the aggregate amount of any intangible assets of such entity, including good will, franchises, licenses, patents, trademarks, trade names, copyrights, service marks and brand names.

4) "Out-of-MCN Medical Services" means services provided to Enrollees of an MCN by an Unrelated Provider not contractually affiliated to provide services to Enrollees of the MCN.

5) "Statutory Payment Obligation" is defined by subsections (b)(6)(A) and (B) of this Section.

6) "Unrelated Provider" means any provider that does not have an Ownership or other Governing Interest in the MCN, or is not commonly controlled or employed by the MCN or by an organization with such an interest. An agreement or contract to provide medical services is not a Governing or Ownership Interest.

Section 142.230 Organization, Financial and Reporting Requirements for Health Maintenance Organizations (HMOs)

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a) Structure. The Health Maintenance Organization (HMO) shall have a Certificate of Authority to conduct business as an HMO in the State of Illinois.

b) Financial Requirements

1) HMO Requirements. An HMO must meet the financial requirements of the Health Maintenance Organization Act [215 ILCS 125]. Upon notice from the Illinois Department of Insurance (DOI) that an HMO fails to maintain a certificate of authority to operate as an HMO in the State of Illinois, the Department shall have the authority to terminate the contract with or without cause.

2) Establishment of Trust Account

A) Each HMO shall fund and maintain such funding of a trust established by the Department for purposes of protecting Unrelated Providers. An Illinois financial institution, as defined in the Consumer Deposit Account Act [205 ILCS 605], authorized or designated by the Department shall act as the Trustee and the Department, in its discretion, shall have exclusive administrative and directive authority over the Trustee and the funds deposited into the trust account in accordance with this Part, the applicable statutory provision and the implementing trust document. Except as otherwise provided herein the funds in the trust account shall be for the benefit of and available only to satisfy the HMO's payment obligations to the Trustee, the Department and, in the event the HMO becomes subject to an Insolvency Proceeding, any Unrelated Providers. This trust account shall also be available in the event that the contract between the HMO and the Department terminates, without regard to why the contract terminates or which party is responsible for such termination. The Department shall be an additional beneficiary of the trust account to the extent of its payments to or contingent payment obligations to Unrelated Providers with respect to their Allowed Claims against the HMO, as well as any and all of its cost or expenses incurred in relation to its administrative oversight, including, without limitation, any enforcement action, insolvency involvement or payment under this Part. In connection therewith, distributions from a trust account shall be in accordance with the following order of priority:

- i) to the payment of any otherwise unsatisfied Statutory Payment Obligations to an Unrelated Provider with an Allowed Claim, or the authorized assignee of such claim;
- ii) to the payment of the pro rata amount owed to any Unrelated Provider with an Allowed Claim, or the authorized assignee of such claim, who has an otherwise unsatisfied or deficiency claim after all Statutory Payment Obligations have been satisfied;

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- iii) to the payment of the fees, costs and expenses of a Trustee (including those of its agent, attorneys or other professionals), for action taken pursuant to a trust agreement;
- iv) to the payment of the fees, adjustments and sanctions in the event of termination of the contract, and costs or expenses incurred by the Department, in any event, including, without limitation, those of its agents, attorneys or other professionals, as a consequence of its administration or enforcement of the trust account or otherwise pursuant to these regulations; and
- v) any remaining monies left in the trust account shall be subject to return by the Trustee to the HMO after the HMO ceases to provide health care services to Enrollees under this Section and after the Department is satisfied that the Allowed Claim amounts owed to Unrelated Providers by the HMO, as well as any amounts due the Trustee or Department, have been satisfied.
- B) In the event that the contract terminates for any reason except insolvency of the HMO, the trust fund shall be maintained for a period of 14 calendar months, such months beginning on the date of termination. The HMO must give notice of such termination to all Unrelated Providers within 30 days after the date of termination. Disbursement of funds in the trust account in the event of a contract termination, and where no Insolvency Proceeding has been initiated within 12 months after the contract termination, shall be in accordance with subsection (b)(2)(A)(iv) above. After the 12 month period has elapsed, any remaining funds in the trust account shall be returned to the HMO.
- C) The assets of the trust shall consist of Cash, and in such percentages and types as permitted by the Department and allowed under 215 ILCS 125/3-1, Cash Equivalents or Credit Enhancements in an aggregate amount equal to the following:
- i) for its first year as an HMO under this Section, the projected quarterly average of the HMO's outstanding medical care costs owed to Unrelated Providers and Non-Acknowledging Related Providers, including, but not limited to, capitated payments and fee-for-service medical care costs owed to Unrelated Providers and Non-Acknowledging Related Providers, or
 - ii) for each year thereafter the actual quarterly average of such outstanding medical care costs, to be recalculated and adjusted on a quarterly basis in accordance with accepted actuarial principles, to Unrelated Providers and Non-Acknowledging Related Providers within 30 days after the end of each fiscal quarter.

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- D) Each HMO shall receive a written notice from the Department of the amounts that it is required to deposit in the trust account. Such amounts must be submitted within 14 calendar days from the date of such notice or the HMO must meet the requirements of subsection (b)(2)(G) below. Should the HMO fail to submit the required amount within 14 days, the Department may withhold the required amount from future capitation payments and the Department shall then forward the withheld required amount to the Trustee. Any such action by the Department is in addition to the sanctions set forth in subsection (b)(2)(H) below.
- E) The amount maintained in such a trust account must at all times be kept segregated from any and all accounts of the HMO. An HMO's use of Credit Enhancements may not exceed such percentage of the required funding of the trust account as may be allowed by the Department. Cash Equivalents shall be marked to market or revalued on a monthly basis and shall be replenished within two days after notice thereof to the extent their value decreases by two percent or, more from that portion of the required funding level in the trust account which they represented or satisfied.
- F) All Cash or Cash Equivalents received or held by a Trustee under the provisions of a trust agreement in a trust account shall be "trust funds" under this Part and shall not be subject to lien or attachment by any creditor of an HMO or creditor of a Trustee or of any individual Unrelated Provider, or any other creditors of any other beneficiary thereunder. The Department on behalf of itself and Unrelated Providers, and the Trustee, however, are specifically permitted to have a lien on such assets to the extent of payment due to each of them under the relevant trust agreement. Such trust funds shall be held in trust and applied in accordance with the provisions of this Part or any further regulations promulgated by the Department and the relevant trust agreement.
- G) Each HMO shall at all times insure that the trust account described in this Section is funded at the level required under this Section. An HMO that fails to maintain this funding level must:
- i) File with the Department a plan for correction of the deficiency, within 14 calendar days as set forth in subsection (b)(2)(D) above, acceptable to the Department, and
 - ii) Correct the deficiency within a reasonable time, not to exceed 30 days from the filing of such plan unless, due to extraordinary circumstances, an extension of time, not to exceed 30 additional days, is granted by the Department.

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- H) Failure to correct the deficiency within the time limit specified in subsection (b)(2)(G)(ii) above shall allow the Department to impose any or all of the following sanctions:
- Without an amount equal to ten percent of all monthly payments due the HMO for the noncompliance with the Department's request.
 - Remove the HMO from the list of qualified providers for the following contract period, precluding a contract between the HMO and the Department.
 - Freeze enrollment in or addition of new sites to the HMO.
 - Exercise the termination provisions of the contract between the Department and the HMO.
- I) Should an HMO fail to pay the amount set forth in subsection (b)(2)(C) above and fail to file a corrective plan as set forth in subsection (b)(2)(G) above, the Department shall impose any or all of the sanctions set forth in subsection (b)(2)(H) above.
- J) In the event that any of the sanctions above shall occur, the HMO shall immediately notify its subcontract Providers that such penalty was imposed and shall provide the Department with a list of such Providers.
- 3) Reimbursement of Fees and Costs
- A) The HMO shall be obligated to reimburse the Department and the Trustee, upon request, for all reasonable expenses, disbursements and advances incurred or made by the Department or Trustee in accordance with any provision of this Part or an approved trust agreement, including the reasonable compensation and the expenses and disbursements of its agents, counsel and professionals. All such payments and reimbursements shall be made with interest at the Illinois statutory rate for unsatisfied judgments, as prescribed in Section 2-1303 of the Code of Civil Procedure [735 ILCS 5/2-1303].
- B) As security for the performance of the obligations of the HMO under this Part to reimburse the fees and costs of the Department and Trustee, the Department on behalf of itself and Unrelated Providers, and Trustee shall have a lien prior to any individual Unrelated Provider and the HMO upon all property and funds held in a trust account.
- C) The Department and Trustee of an HMO are additional express beneficiaries of a trust account to the extent necessary to be reimbursed from a trust account for any amounts due the Department or Trustee from the HMO.
- 4) Department Obligations in the Event of HMO Insolvency. If an HMO, other than a County HMO, is made subject to an Insolvency Proceeding under Section 187 of the Illinois Insurance Code [215 ILCS 5/187], then, after liquidation and application of any

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available assets, resources, and reserves, in the estate of the HMO or from any other source, the Department shall:

- Pay the amounts of the Statutory Payment Obligation under this subsection (b)(4), calculated based on the total amount owed by the HMO to Unrelated Providers before application in the Insolvency Proceedings of any available assets, resources, any other reserves and funds in the trust account.
- Only after application of any available assets, resources, any other reserves and trust funds, pay any remaining unsatisfied amounts of the Statutory Payment Obligations in the event of the insolvency of an HMO. Statutory Payment Obligations shall be subject to amendment of the relevant statutory provision. The Department shall pay that portion of the amounts owed by an HMO to Unrelated Providers for services rendered to Enrollees under MediPlan Plus in an amount based on the following schedule:
 - From April 1, 1995, through June 30, 1998, 90 percent of the remaining Allowed Claim amounts owed;
 - From July 1, 1998, through June 30, 2001, 80 percent of the remaining Allowed Claim amounts owed; and
 - From July 1, 2001, through June 30, 2005, 75 percent of the remaining Allowed Claim amounts owed.
- After June 30, 2005, the Department will not pay any amounts owed to Unrelated Providers as a result of an Insolvency Proceeding of an HMO filed after that date.
- The Department is not obligated, at any time, to pay amounts owed to a Provider that has an Ownership or other Governing Interest in the HMO. Further, this Section applies only to HMOs and the services they provide under MediPlan Plus [305 ILCS 5/5-16.3(n)].
- Required Notices. Any HMO which becomes subject to Insolvency Proceedings must provide written notification of such event within 30 days after such proceedings to all Providers within its HMO network. Such notice shall contain an explanation of an Unrelated Provider's rights to submit an Allowed Claim. In order for an Unrelated Provider to preserve its claim or rights relating to Statutory Payment Obligations in any Insolvency Proceeding in which an HMO is subject, the Unrelated Provider must file a timely notice with the Department that conforms either to the official proof of claim form used in the Insolvency Proceeding or any other notice form that may be promulgated or required by the Department, or which otherwise contains at least the following information:
 - name and address of the Unrelated Provider;
 - brief discussion of dates and type of services provided to the insolvent HMO that forms the basis of

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the alleged claim;

- iii) indicates the amount of the claim and whether it is disputed, contingent or subject to off-set; and
- iv) discloses whether the claim has been purchased, transferred, pledged or otherwise assigned.

F) To be timely, such notice must be sent to the Department within six months after the complaint in the Insolvency Proceeding, but no later than any lesser time set to file claims in such Insolvency Proceeding at the following address:

Illinois Department of Public Aid
Attention: Chief, Bureau of Managed Care
201 South Grand Avenue East
Springfield, Illinois
62763-00001

G) Assignability of Allowed Claims. Except as otherwise prohibited by applicable law, the Department or any other Unrelated Provider and any assignee Unrelated Provider's entity may purchase an Allowed Claim of an Unrelated Provider and thereby become subrogated to such Unrelated Provider's rights to recover on its Allowed Claim, including the right to seek payment from a trust account.

5) Annual CPA Audit Report. Each contracting HMO shall be audited annually by a licensed independent certified public accountant or an accounting firm. Such annual audit is to be performed in accordance with generally accepted auditing standards. The audit report is to contain the auditor's opinion as to the HMO's compliance with the trust requirements contained in subsection (b)(2) above and an independent actuarial certification of incurred, but not reported, liabilities. Such annual audit report is to be filed with the Department due on or before June 1 of each calendar year.

6) Standards for Transactions. Any notice required to be filed with the Director of the Department of Insurance pursuant to Section 131.20a of the Illinois Insurance Code [215 ILCS 5/131.20a] must also be filed, within the same required time period, with the Director of the Department.

c) Definitions. For purposes of this Section:

1) "Allowed Claim" means any claim for services rendered within ten days after notification to the Provider by the HMO, prior to commencement of an Insolvency Proceeding of an HMO, or for which a proof of claim was timely and properly filed before the date or otherwise deemed properly filed under Section 208 of the Illinois Insurance Code [215 ILCS 5/208] or by a Court, and, in either such case, a claim as to which no objection to the allowance thereof has been interposed by the Director of the Department of Insurance, or as to which any objection has been determined by a final and non-appellable order of the Court to

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the extent such objection has been determined in favor of a claimant. Any Unrelated Provider for whom the HMO fails to give notice as set forth in subsection (b)(4)(E) above shall have an Allowed Claim for any services rendered within 40 calendar days after commencement of an Insolvency Proceeding. Without limiting the foregoing, an Allowed Claim shall not include any interest on such claim for the period from and after the filing of the complaint, nor shall such claim include any claim which may be disallowed by a Court.

2) "Court" means an Illinois court, of competent jurisdiction, in which a complaint initiating an Insolvency Proceeding is filed.

3) "Insolvency Proceeding" means any proceeding brought for the purpose of rehabilitating, liquidating, conserving or dissolving an HMO pursuant to Section 187 of the Illinois Insurance Code [215 ILCS 5/187].

4) "Statutory Payment Obligation" is defined in subsections (b)(4)(A) and (B) above.

5) "Unrelated Provider" means any provider, other than a County HMO, that does not have an Ownership or other Governing Interest in the HMO, or is not commonly controlled by or employed by the HMO or by a Person with such an interest. An agreement or contract to provide medical services is not a Governing or Ownership Interest.

Section 142.240 Prepaid Health Plan (PHP)

a) Prepaid Health Plans (PHPs) that contract with the Department may participate in Mediplan Plus as an MCE subject to all requirements of these rules except Sections 142.220, 142.230, 142.500, 142.502, 142.505, 142.532 and 142.560.

b) PHPs will have one year from the Date of Initial Coverage of an Enrollee to complete a transition to an MCCN or HMO, with the exception of a PHP that is owned or operated by an Illinois county with a population greater than three million which will have two years to complete a transition. Any PHP that fails to transition to an MCCN or HMO at the conclusion of the designated period will no longer be permitted to participate as an MCE in Mediplan Plus.

c) Obligations of the Department in Bankruptcy and Insolvency

1) If a PHP, other than a PHP that is owned or operated by an Illinois county with a population greater than three million, is declared bankrupt in, or otherwise made subject to, a Bankruptcy Proceeding under the Bankruptcy Code, or an Insolvency Proceeding, the Department is not obligated to pay amounts owed by the PHP to a Provider, whether related or unrelated, for any services provided within one year from the Date of Initial Coverage.

2) If a PHP that is owned or operated by an Illinois county with a population greater than three million is declared bankrupt in, or

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otherwise made subject to, a Bankruptcy Proceeding under the Bankruptcy Code, or an Insolvency Proceeding, the Department is not obligated to pay amounts owed by the PHP to a Provider, whether related or unrelated, for any services provided within two years from the Date of Initial Coverage.

- d) For the purpose of this Section, "Date of Initial Coverage" means the first effective coverage date printed on the first MediPlan Plus card produced for the first MediPlan Plus Enrollee.

Section 142.250 Disclosure of Interest

a) All Disclosing Entities (other than individual physicians) shall comply with the disclosure requirements specified in 42 C.F.R. Part 455, including, but not limited to, filing with the Department at initial enrollment and within 35 days after a change occurring, a disclosure statement containing the following:

- 1) The name, work address, home address, date of birth, social security number and gender of each Person With an Ownership or control Interest in the Disclosing Entity of five percent or more.
- 2) Whether any of the Persons so identified is related to another so identified as the individual's spouse, child, brother, sister, or parent.
- 3) The name of any Person With an Ownership or control Interest of five percent or more, in the Disclosing Entity, who also has an Ownership or control Interest of five percent or more, in another Disclosing Entity and the name or names of the other Disclosing Entity.
- 4) The name and address of any Person With an Ownership or control Interest in the Disclosing Entity or who is an agent or employee of the Disclosing Entity who has been convicted of a criminal offense related to that Person's involvement in any program under Titles XVIII, XIX, or XX of the Social Security Act, since the inception of such programs.
- 5) Whether any Person identified in subsections (a)(1) through (4) above is terminated, suspended, barred or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in any program under Titles XVIII, XIX or XX of the Social Security Act, or has within the last five years been reinstated to participation in any program under Titles XVIII, XIX or XX of the Social Security Act, and prior to said reinstatement had been terminated, suspended, barred or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in such programs.
- 6) Within 35 days after the transaction, report any transactions between the Disclosing Entity and a Party In Interest described in Section 1318(b) of the Public Health Services Act (42 U.S.C. Section 300e-17(b)) including:

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- A) any sale or leasing of any property between the Disclosing Entity and such a party;
 - B) any furnishing for consideration of goods, services (including management services), or facilities between the Disclosing Entity and such a party, but not including salaries paid to employees for services provided in the normal course of their employment; and
 - C) any lending of money or other extension of credit between the Disclosing Entity and such a party.
- 7) The Disclosing Entity shall, within 35 days after a written request thereof, submit to the Department information regarding any business transaction between the Disclosing Entity and a subcontractor or wholly owned supplier or other Disclosing Entity and the names of those entities.
- b) Individual physicians serving as EMCPs shall comply with the following disclosing requirements at initial enrollment and when changes occur by submitting a disclosure statement containing the following:
- 1) The name of any Disclosing Entity in which the individual physician has an Ownership, Governing or control Interest of five percent or more.
 - 2) Whether the individual physician is related to a Person as a spouse, child, brother, sister, or parent, who has an Ownership, Governing or control Interest of five percent or more in the same Disclosing Entity.
 - 3) Whether the individual physician has been convicted of a criminal offense related to that Person's involvement in any program under Titles XVIII, XIX or XX of the Social Security Act since the inception of these programs.
 - 4) Whether the individual physician is terminated, suspended, barred, or otherwise excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in any program under Titles XVIII, XIX or XX of the Social Security Act.
 - 5) Within 35 days after the transaction, report any transactions between the individual physician and a Party In Interest described in Section 1318(b) of the Public Health Services Act (42 U.S.C. Section 300e-17(b)), including:
 - A) any sale or leasing of any property between the physician and such a party;
 - B) any furnishing for consideration of goods, services (including management services), or facilities between the physician and such a party, but not including salaries paid to employees for services provided in the normal course of their employment; and
 - C) any lending of money or other extension after credit between the physician and such a party.
 - 6) The individual physician shall, within 35 days after a written request thereof, submit to the Department information regarding

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any business transactions between the physician and any other Disclosing Entity or subcontractor to a Disclosing Entity or supplier, of which the physician has Ownership, Governing or control interest of five percent or more.

- c) The Department shall include, in every contract or agreement with a Disclosing Entity, a section which sets forth sanctions which the Department may impose on the Disclosing Entity for failure to comply with this Part or the terms and conditions of that contract or agreement.

- d) The Department shall consider information disclosed under subsections (b)(1), (2), (5) and (6) above exempt from inspection and copying under Section 7(1)(b) or (g) of the Freedom of Information Act [5 ILCS 140] if so designated in writing by the individual physician.

Section 142.255 Marketing

- a) The MCE or EMCP shall not engage in any Marketing practices which may either, directly or indirectly, mislead, misrepresent or defraud either an Eligible Enrollee or the Department.

- b) The MCE or EMCP shall not make any claims or representations that they are endorsed or otherwise recommended by the State or federal government or that an Eligible Enrollee could lose Medical Assistance benefits if he or she does not select a particular MCE or EMCP.

- c) The MCE or EMCP shall not threaten, harass, make untruthful statements or otherwise coerce Eligible Enrollees regarding the merits of enrollment or disenrollment in any MCE or EMCP.

- d) The MCE or EMCP is prohibited from conducting unsolicited telephone calls or unsolicited visits in, or to, an Eligible Enrollee's home for the purposes of Marketing and from Marketing in any Department offices or the immediate surrounding area of those offices.

- e) Employees, agents, representatives or subcontractors of an MCE or EMCP may not engage in any Marketing practices which either directly or indirectly use influence, coercion or other willful acts which interfere with an Eligible Enrollee's right to select a Provider.

- f) The MCE or EMCP, with Marketing staff, shall be responsible for all Marketing activities, conducted on their behalf, by employees, agents, representatives or subcontractors of the MCE or EMCP.

- 1) All Persons engaged in Marketing activities shall be registered with the Department and licensed in accordance with applicable contract provisions and, to the extent applicable, the administrative rules and regulations of the Illinois Department of Insurance. Any individual who has been removed, terminated, suspended, or barred, or has voluntarily withdrawn as a result of a settlement agreement or otherwise has been disciplined for engaging in any prohibited Marketing practices or misconduct associated with any Marketing activities, may not perform any Marketing activities related to any contract the Department has with an MCE or EMCP.

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- 2) Upon request of the Department or as set forth in the applicable contract, the MCE or EMCP shall submit all credentialing information regarding individuals who will perform any Marketing activity for the MCE or EMCP. For HMOs, this provision applies to any individual who must hold a limited license under the Illinois Insurance Code [215 ILCS 125/4-11]. For MCCNs, PHPs and EMCPs this provision applies to any individual performing Marketing functions similar to HMO staff described above.
- 3) While engaging in Marketing activities, all employees, agents, representatives or subcontractors shall wear visible name tags which identify them and the MCE or EMCP which the individual represents.

- 4) Any employees, agents, representatives or subcontractors conducting Marketing activities shall inform Eligible Enrollees that they are representatives of the MCE or EMCP and not in any way affiliated with the Department.

- 5) The MCE or EMCP may conduct Marketing activities at Provider sites, but only in common areas of the clinic or office. Marketing activities at Provider sites may not occur in any area where an Eligible Enrollee receives medical care or treatment of any kind.

- 6) The MCE or EMCP shall submit a Marketing plan annually. This Marketing plan and any subsequent modification thereof, is subject to the review and approval of the Department prior to its implementation. The MCE or EMCP shall also submit to the Department: any and all materials it intends to use in performing Marketing activities in all media. These Marketing materials shall include, but are not limited to, brochures, fact sheets, leaflets, newspapers, magazines, billboards, yellow page advertisements, radio, television, posters, lectures, presentation materials used by Marketing staff; location and site; description of Marketing activities; and the timetable in which to conduct such Marketing activities. These materials cannot be used until the MCE or EMCP receives approval from the Department.

- 7) Marketing materials shall include, at a minimum, the MCE or EMCP's name, business office address, telephone number and TTY telephone number.

- 8) The MCE or EMCP shall maintain an appropriate customer service staff to serve the Eligible Enrollee population. Where the Eligible Enrollees do not speak English or have hearing impairments, the MCE or EMCP shall offer interpreter services or TTY telephones, as appropriate, to communicate with the Eligible Enrollees who have selected or are considering selecting that MCE or EMCP. Interpretive services must meet the accessibility standards of an MCE as described in Section 142.200(b)(14).

- 9) The MCE or EMCP shall develop and maintain procedures to resolve Marketing complaints. Those procedures shall include a written

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log documenting, at a minimum, the following: the nature of the complaint, the name of the individual the complaint is concerning, the resolution of the complaint, and an indication of what corrective action, if any, was taken by the MCE or EMCP to avoid similar complaints in the future. The marketing complaint log must be made available to be reviewed by the Department.

10) The MCE or EMCP shall make Marketing materials available in large print and Braille or audiotape whenever Eligible Enrollees need such a format.

g) The MCE or EMCP shall not, as inducements to enroll or disenroll in any MCE or EMCP, offer or provide cash, gifts, incentives or rebates to Eligible Enrollees, unless such gifts or incentives are provided to meet the objectives of the Medical Assistance Program; are related to health care; do not exceed a nominal value; have been pre-approved by the Department; and do not violate any of the Department's guidelines, rules, regulations or policies.

h) The MCE or EMCP shall make materials available to Eligible Enrollees in English. If approximately five percent or more of low-income households in the local public aid office area are of a single-language minority, as determined by the Department, then the materials must be available in that language.

i) The MCE and EMCP shall conduct all Marketing activities in a language understood by the Eligible Enrollees. Where that language is other than English, or for Eligible Enrollees with hearing impairments, the MCE or EMCP shall offer, and if accepted, provide interpreter services. Such services may not be rendered by any individual who is under eighteen years of age.

j) An EMCP who uses materials other than those provided by the Department to inform Eligible Enrollees about their Provider options shall submit all material to the Department for approval prior to its distribution to or use with Eligible Enrollees.

k) The MCE or EMCP shall not offer or provide cash, gifts, services, or rebates to employees of the Department or its agents. This exclusion shall not apply to any employee benefit packages or plans which an MCE may be offering to State employees as a benefit of their employment.

l) The MCE or EMCP shall provide Eligible Enrollees with Provider information as follows:

1) For individual physician EMCPs, the EMCP's name, office address and telephone number, office hours, and procedures for after hours care.

2) For other EMCPs, each Care Coordinating Provider's name, office address and telephone number, office hours, and procedures for after hours care.

3) For MCEs, the MCE's name, business address, telephone number and TTY telephone number. The MCE shall further make available a Provider directory containing, at a minimum, the names, addresses and telephone numbers of all hospitals and all pharmacies as well as the name, office address and telephone number, office hours

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and procedures for after hours care for each Care Coordinating Provider in the MCE's Plan.

Section 142.260 Enrolled Managed Care Provider (EMCP) Participation Conditions

a) An EMCP must meet the following conditions:

1) For physicians, be licensed to practice medicine in all its branches.

2) For FQHCs or RHCs, meet the certification requirements in the 89 Ill. Adm. Code 140.461.

3) For CPACCs, meet the requirements in 89 Ill. Adm. Code 140.461.

b) In addition to the requirements in subsection (a)(1) above, an EMCP participating as a woman's health care EMCP must specialize in obstetrics or gynecology.

c) EMCP Responsibility for Care

1) An EMCP provides, authorizes and coordinates care across the full range of covered services for Enrollees.

2) A woman's health care EMCP provides, authorizes and coordinates obstetrical or gynecological care or care for fetal or neonatal complications.

d) Providers that qualify as a woman's health care EMCP can elect to participate as an EMCP, a woman's health care EMCP, or both.

e) An EMCP that is a CPACC may enroll only Eligible Enrollees with chronic and acute conditions of childhood, as specified in Section 142.370.

f) Participation Requirements. An EMCP shall:

1) Sign an EMCP agreement with the Department, and abide by the terms of the EMCP agreement and the requirements of this Part as applicable. This agreement is supplemental to any other conditions of enrollment.

2) Not be terminated, suspended, barred, or excluded from participation, or have voluntarily withdrawn as the result of a settlement agreement, in Titles XVIII, XIX or XX of the Social Security Act including exclusion by the United States Department of Health and Human Services (or, for the purposes of this program, contract with or employ anyone who is terminated, suspended, barred, or excluded from participation, or has voluntarily withdrawn as the result of a settlement agreement, in Titles XVIII, XIX or XX of the Social Security Act) or, in the case of FQHCs, RHCs, and CPACCs, have a relationship with physicians who are terminated, barred, suspended, or excluded.

3) Not be in violation of State income tax requirements [35 ILCS 5], child support payments [89 Ill. Adm. Code 160.60(a)(3)], and educational loans guaranteed by the Illinois State Scholarship Commission [110 ILCS 947/105], as applicable.

4) Maintain active hospital admitting privileges and delivery privileges, as appropriate, or, in the case of CPACCs, FQHCs and RHCs, have a relationship with physicians who do. Any physician

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who does not meet this requirement may apply to the Department for an exception in accordance with subsection (h) below.

- 5) Declare a specified Enrollee capacity by site.
- 6) Declare whether he or she is participating as an EMCP or a women's health care EMCP, or both.
- 7) Render care to each Enrollee in accordance with the Department's rules, policies, and official notices; the EMCP agreement; and State and federal laws and regulations unless contrary to moral or religious beliefs as defined in the Right of Conscience Act [745 ILCS 70], or provide appropriate referral options for necessary care.
- 8) Authorize non-emergency health care and mental health care and make referrals for substance abuse services deemed appropriate by the EMCP but rendered by other Providers.
- 9) Assure that all Persons providing health care services, whether they be employees, agents, subcontractors or anyone acting for or on behalf of the EMCP, are properly licensed under applicable State law and regulations, and, if applicable, are eligible to participate in the Medical Assistance program. The EMCP shall maintain copies of current licenses of all staff subject to licensure.

g) After Hours Coverage

- 1) An EMCP must be available or make available medical professionals, either in person or by telephone, to triage an Enrollee's request for care and to direct the Enrollee to an appropriate source of Emergency Care, Urgent Care, or routine care.
- 2) Coverage must be available 24 hours a day, seven days per week.
- 3) Telephone calls shall be returned within a reasonable length of time. The Department will monitor complaints registered by Enrollees and will take action to correct deficiencies.

h) Special Requirements

- 1) The Department will consider requests from physicians who are unable to meet the hospital admitting privileges criteria for enrollment in MediPlan plus if the physician has executed a formal agreement with another physician to accept referrals for hospital admissions.
- 2) The request will be reviewed by members of the State Medical advisory Committee and a recommendation will be made by that body as to whether the physician should be enrolled as an EMCP into the program. At the discretion of the Committee, the requesting physician may be asked to appear for an interview and an on-site visit may be made by either a member of the Committee or a physician consultant assigned by the Department.
- 3) All exceptions must be renewed annually. Each renewal will follow the procedures described below. Requests are to be dated by the Provider and forwarded to:

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Illinois Department of Public Aid
Division of Medical Programs
Provider Participation Unit
P.O. Box 19114
Springfield, Illinois 62794-9114

- 4) For consideration to be given, the requesting physician must submit the following information and supporting documentation in a format specified by the Department:
 - A) Complete name, mailing address, Illinois practice license number and Medicaid Provider number, if any.
 - B) Declared practice specialty.
 - C) Listing of all practice locations.
 - D) Name and location of hospitals applied to for admitting privileges, if any.
 - i) Status of each request, i.e., pending or closed (if closed, provide the reason given by the hospital for not granting privileges, if applicable).
 - ii) If application has never been made, a statement explaining why.
 - E) Name(s) of physician(s) with whom a formal agreement(s) has been executed.
 - i) Illinois license number of the Medicaid enrolled physician(s) with hospital admitting privileges and name(s) of hospitals where admitting privileges are in effect.
 - ii) Copy of formal agreement(s).
- i) The Department reserves the right to review each EMCP to determine whether the EMCP has the ability to satisfy the terms of the EMCP agreement.

Section 142.270 MediPlan Plus Fee-For-Service Payment Controls

- a) For Enrollees of an EMCP, payment for covered services, other than those listed in subsection (b) below, will be made only if the claim carries one of the EMCPs' Medicaid Provider identifiers or one of the Medicaid identifiers or license number of another Provider authorized by the EMCP to provide those services. Payments shall be made only to Providers enrolled with the Department for covered services rendered to Enrollees.
- b) The following services do not require EMCP authorization for payment:
 - 1) Emergency Care as defined in Section 142.110.
 - 2) Childhood immunizations.
 - 3) Family planning services and supplies, including physical examination and counseling provided during the visit, annual physical examination for family planning purposes, pregnancy testing, voluntary sterilization, insertion or injection of contraceptive drugs or devices, contraceptive drugs and supplies,

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related laboratory and diagnostic tests, testing/screening for and drugs used for the treatment of HIV/AIDS and sexually transmitted infections.

- 4) Laboratory services, including testing for blood lead levels, sexually transmitted diseases, and human immune deficiency virus.
- 5) Epidemiological Survey (Code w7401).
- 6) Medically necessary transportation to and from the source of medical care.

- 7) Early intervention services.

- 8) Services provided through school based clinics.

- 9) Mental health services described in Section 142.450(b)(2), provided that the proper authorization is received through the Medipian Plus Referral Agent as described in Section 142.275(a).

- 10) Services provided by an FQHC in the instance where at the time of enrollment the Enrollee did not have a choice allowing access to FQHC services.

- 11) Alcohol and substance abuse treatment services as defined in the State Medicaid Plan and in 77 Ill. Adm. Code 2090 funded by the Department of Alcoholism and Substance Abuse, provided that the proper authorization is received through the Department as described in Section 142.275(a).

- 12) Services provided through local education agencies that participate in the Special Education Medicaid Matching Fund Program.

- 13) Dental services as described in 89 Ill. Adm. Code 140.420 and 140.421.

- 14) Optometric services and supplies as described in 89 Ill. Adm. Code 140.416 and 140.417.

- c) If a female Enrollee has chosen to designate a woman's health care EMCP, as described in Section 142.260(b), in addition to an EMCP, the woman's health care EMCP can provide or authorize obstetrical or gynecological care, or care for fetal or neonatal complications.

- d) If a female Enrollee chooses an EMCP and a woman's health care EMCP, as described in Section 142.260(b), the EMCPs will coordinate provision of care to the Enrollee.

- e) All separately billable services provided during an authorized inpatient hospital stay do not require EMCP authorization. These claims must be identified by the place of service (inpatient) listed on the bill.

- f) Covered services paid for by other State agencies shall be subject to payment controls established by those agencies and approved by the Department.

- g) Covered services rendered by a Provider other than the Enrollee's EMCP must be authorized in accordance with the provisions set forth in Section 142.275 of this Part, excluding services for which no EMCP authorization is required as described in Section 142.270(b).

- h) When the EMCP refers the Enrollee to another provider, the EMCP must notify the Department or its designee that a referral was made.

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- i) Except for services described in Section 142.270(b), when an Enrollee independently seeks care from a Provider other than the EMCP, the referral Provider will not be paid unless the EMCP authorizes the services and notifies the Department or the services are authorized pursuant to Section 142.275(a)(8) or Section 142.275(a)(11).

- j) If the referral Provider determines that referral to another Provider is required, the EMCP, as described in Section 142.260(a)(1) or (b), must authorize all subsequent referrals, except in the case of the mental health services approved by the Department.

Section 142.275 Referral and Billing Authorization Process

- a) Referral and Billing Authorization Process

- 1) The Department or its designee will operate the authorization system.

- 2) The EMCP or MCE, in accordance with the provisions of Section 142.460, will notify the Department or its designee that an Enrollee has been referred for health care services and that the EMCP or MCE authorizes the services rendered by another Provider.

- 3) The notification of a referral shall be in a manner determined by the Department and shall include, at a minimum, Enrollee information and type of service(s) required.

- 4) The Department or its designee will record the authorization. Payment will not be made unless authorization is received and recorded with the Department and the services are rendered by a Provider enrolled with the Department.

- 5) The Provider rendering the care authorized by the EMCP or MCE must also notify the Department or its designee if the Provider was not identified by the referring EMCP or MCE.

- 6) The Department or its designee will send hard copy confirmation that the authorization has been registered to the referral Provider.

- 7) Unless otherwise specifically noted by the EMCP or MCE, service authorizations will be valid for a period of six months.

- 8) The EMCP or MCE will notify the Department that an Enrollee has been referred for treatment of certain behavioral health services, as defined in Section 142.450(b), except for services defined in Section 142.450(b)(3)(B). A Provider of services described in Section 142.450(b), except for services defined in Section 142.450(b)(3)(B), may seek authorization directly from the Department.

- 9) Should a claim for a service requiring authorization be presented to the Department and no record of the authorization has been received from the Department, the claim will be rejected.

- 10) The Provider rendering inpatient care behavioral health services as defined in Section 142.450(b) must notify the Department or its designee within 24 hours after the admission.

- 11) A Provider of services described in Section 142.270(b)(3) may

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seek authorization directly from the Department.

- b) MediPlan Plus Referral Agent
The MPRA will coordinate the referral for and authorization of claim for services. The Department may contract with an entity to perform this function.

Section 142.280 Change of Ownership

- a) For purposes of this Section, the following terms shall be defined as follows:

1) "Change of ownership." A change of ownership occurs whenever the ultimate legal authority to control the activities and policies of the Managed Care Entity (MCE) is transferred to another individual, group, or legal entity, or whenever there is a change in the legal form under which the controlling entity is organized.

2) "Owner" means the owner of a Managed Care Entity (MCE) that has the ultimate responsibility for the operation of the entity, including the final authority to make or control operational decisions and legal responsibility for the management of the business.

- b) Transactions constituting a change of ownership include, but are not limited to, the following:

- 1) Sale or donation: The sale or donation of the entity's legal title constitutes change of ownership regardless of the legal form of the entity.
- 2) Corporation: The merger of the Provider corporation, or the consolidation of two or more corporations resulting in the creation of a new corporation, constitutes a change of ownership. Transfer of corporate stock, or the merger of another corporation into the Provider corporation where the original Provider corporation survives, does not constitute change of ownership.
- 3) When a not-for-profit corporation becomes a general corporation, or a for-profit corporation becomes a not-for-profit corporation, there is a change of ownership. A change in membership of a not-for-profit corporation does not constitute change of ownership.
- 4) Partnership: A change of ownership occurs when a partnership dissolves, one partner is replaced by another through the removal, addition, or substitution of a partner, when a general partnership becomes a limited partnership, or when a limited partnership becomes general.
- 5) Limited liability Company: A change of ownership occurs when the company dissolves, is sold or transferred, or is otherwise reconstituted by a change in membership which significantly alters the authority and control of the company.
- 6) Leasing: Leasing all or part of an entity constitutes a change of ownership in the leased portion.

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- c) Transactions which do not constitute a change of ownership include, but are not limited to, the following:

1) Changes in the membership of a corporate board of directors or board of trustees which do not significantly alter the authority or control of the company.

2) Changes in the membership of a not-for-profit corporation which do not significantly alter the authority or control of the company.

3) Transitioning from a PHP to an MCCN or an HMO.

- d) Contract Amendments/Change of Ownership

1) Any change of ownership of an MCE shall constitute a contract amendment which requires the prior written approval of the Department. Any such change shall be submitted for Department review 60 days prior to the desired effective date. The contractor must submit a detailed merger, reorganization, assignment, and/or transition plan to the Department for review and approval on forms approved by the Department. Additionally, any change of ownership of a subcontractor that is related to or affiliated with the contractor shall constitute a contract amendment which shall be submitted in writing to the Department 60 days prior to the desired effective date for the Department's approval. The subcontractor must submit a detailed merger, reorganization, assignment, or change of ownership plan on forms approved by the Department.

2) The purpose of Department review is to insure uninterrupted services, to evaluate the new entity's ability to support the provider network, and minimize any potential adverse effect of such merger, reorganization, assignment, or change of ownership on major components of the organization and Department programs.

- e) Recoupment

1) Managed Care Entities (MCEs) shall be required to sign an agreement which states that if there is a change of ownership, the transferee shall be informed of the liability, whether overpayment or other improper or erroneous payment, and the transferee shall assume responsibility for repaying the debt to the Department according to the terms of the original agreement. The transferee is responsible for contacting the Department to ascertain the amount of the liability.

2) The transferor shall remain liable for all penalties assessed against the transferor for any violations which occurred prior to the effective date of the change of ownership.

3) All MCEs shall sign an agreement specifying the terms of recoupment. An agreed percentage of the total payment to the MCE for services rendered shall be deducted from future payments until the debt is repaid or the MCE and the Department may agree on other method(s) of payment.

4) In the event that the MCE fails to comply with the recoupment terms of the agreement, the remaining balance of any advance

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payment shall be immediately recouped from claims being processed by the Department. If such claims are insufficient for complete recovery, the remaining balance will become immediately due and payable by check to the Illinois Department of Public Aid. Failure by the Provider to remit such check will result in the Agency pursuing other collection methods under State law.

5) The terms of any agreement signed between the MCE and the Department prior to the adoption of this Part will remain in effect, notwithstanding the provisions of this Part.

f) Penalties

For failure to comply with the provisions in this Section, the Department may impose one or more of the sanctions set forth in Section 142.800 of this Part.

SUBPART C: ELIGIBLE ENROLLEES AND ENROLLMENT

Section 142.300 Enrollee Participation

a) Only Eligible Enrollees shall participate in MediPlan Plus.

b) The following Clients shall be excluded from enrollment in MediPlan Plus:

- 1) Those who reside in an intermediate care facility for the mentally retarded or a nursing facility, excluding the first 100 days for individuals described in Section 142.450(c)(9).
 - 2) Those who were eligible for Medical Assistance in previous months and are determined ineligible for ongoing assistance.
 - 3) Those who are enrolled for spend-down in accordance with 89 Ill. Adm. Code 120.60(d).
 - 4) Those who have significant health care coverage from a third-party payer, including Medicare.
 - 5) Those who are eligible only through the Healthy Start (Medicaid presumptive eligibility) program described at 89 Ill. Adm. Code 120.12.
 - 6) Those who are not citizens of the United States and are receiving only emergency Medical Assistance in accordance with 89 Ill. Adm. Code 120.310.
 - 7) Those residing outside the State.
 - 8) Those who are residents of facilities operated by the Department of Mental Health and Developmental Disabilities (DMHDD).
 - 9) Those participating in the Program of All-Inclusive Care for the Elderly (PACE).
 - 10) Those who are not eligible for medical assistance under Title XIX of the Social Security Act.
- c) For Enrollees identified by the Department as having a chronic or acute condition of childhood as defined in Section 142.370, an MCE shall initiate disenrollment in accordance with Section 142.390(e)(7). Upon disenrollment, the child shall be enrolled with an EMCP or in an MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1).

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Section 142.340 Eligible Enrollee Enrollment

a) Enrollment and Selection. Eligible Enrollees shall be sent a written description of the MediPlan Plus options specific to the Contracting Area in which the Eligible Enrollee resides and a selection form. This shall include an explanation that a female Enrollee who chooses an EMCP also has the right to choose a woman's health care EMCP, as described in Section 142.260(b). Eligible Enrollees shall be instructed to exercise a choice and return the form to the Department. If a choice has not been recorded with the Department within 60 days from the mailing date of the initial notification, a second notice will be sent to those Eligible Enrollees who, for any reason, have not been enrolled. If an Eligible Enrollee does not submit an adequately completed selection form within 30 days from the date of the second notice, the Department may assign the Eligible Enrollee to an MCE. Reasons why enrollment has not occurred can include but are not limited to:

- 1) Eligible Enrollee did not return form.
 - 2) Eligible Enrollee returned blank form.
 - 3) Physician enrolled as an EMCP did not accept Eligible Enrollee as patient.
 - 4) Eligible Enrollee chose a woman's health care EMCP, as described in Section 142.260(b), who is enrolled only to provide women's health care and the Eligible Enrollee failed to choose another EMCP.
 - 5) Eligible Enrollee sent back an incomplete or unreadable form.
- b) Medical Assistance Applicants. The enrollment and selection process for MediPlan Plus for Medical Assistance applicants shall take place at the Local Public Aid Office. At the conclusion of the screening interview, applicants shall be given a written description of the MediPlan Plus options. The applicant has until close of business on the day of the final eligibility interview to make a choice. In the case of a minor child, or others as applicable, the caretaker relative or guardian shall make the enrollment choice. Those who do not choose may, after becoming an Eligible Enrollee, be assigned to an MCE by the Department, upon determination of eligibility.
- c) For Eligible Enrollees known to the Department when the enrollment and selection process for MediPlan Plus first commences, the Department, or its agent, will make a good faith effort to contact the Eligible Enrollee, by other means than the U.S. Mail, to assist the Eligible Enrollee in making a choice. If after effort of the Department, or its agent, the Eligible Enrollee still fails to make a choice, the Department will assign the Eligible Enrollee to an MCE.
- d) Assignment
- 1) Eligible Enrollees residing in a Closed Contracting Area, except those in the Restricted Recipient Program (RRP) and those described in subsections (d)(3), (4) and (5) below and not exercising a choice, shall be assigned to an MCE at random based

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upon current unassigned contract capacity by the Department. The Enrollee and the MCE shall be informed in writing of the assignment on a timely basis. This subsection (d)(1) does not apply to Enrollees who do not exercise a choice and currently receive their care from an HMO, MCCN or PHP. Those Enrollees will continue to be enrolled with the same MCE. Enrollees not exercising a choice who are enrolled with a PHP that is transitioning to an HMO or MCCN shall continue to be enrolled with that transitioning PHP.

- 2) An Enrollee assigned to an MCE by the Department shall be given the opportunity to select an EMCP or a different MCE within a minimum of 60 days after the effective date of coverage in the Plan if that Enrollee resides in a Contracting Area with MCON services available. If the Enrollee resides in a Closed Contracting Area without MCON services available, that Enrollee will have 30 days to select an EMCP or a different MCE.
- 3) A woman known to the Department to be pregnant and expected to deliver no later than 60 days following the initial date of MediPlan Plus coverage and children under one year of age shall not be assigned.
- 4) Eligible Enrollees with chronic or acute conditions of childhood pursuant to Section 142.370 who do not exercise a choice shall be enrolled with an EMCP or in an MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1).
- 5) Enrollees subsequently determined no longer qualifying pursuant to Section 142.370 who fail to make a choice will be reenrolled with the MCE with which the Enrollee was previously enrolled or, if no such enrollment had occurred, will be assigned according to the Department's established procedures, to an MCE.
- e) Enrollees whose eligibility for Medical Assistance is suspended for up to two months and later resumed shall continue to receive coverage under the MCE. The MCE shall continue to receive the appropriate capitated payment as set forth in the contract.
- f) The Department shall maintain a toll-free telephone number for Eligible Enrollees to obtain information about MediPlan Plus or to report problems with MCEs.
- g) The Department of Children and Family Services (DCFS) will choose an EMCP or MCE for children eligible for Medical Assistance who come under the legal custody or guardianship of the DCFS. The Department and the DCFS shall jointly develop enrollment procedures for such children.
- h) Enrollees may choose the site for provision of services and a Care Coordinating Provider offered by the MCE. Female Enrollees may also designate a Care Coordinating Provider for woman's health care.
- i) All Clients including Eligible Enrollees and applicants shall receive written information on the procedures for accessing services not provided through a Client's MCE or EMCP. This material shall include a description of the authorization/referral mechanism and a

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description of services that do not require authorization and referral by the MCE or EMCP.

Section 142.370 Eligible Enrollees with Chronic and Acute Conditions of Childhood

- a) Eligible Enrollees or Enrollees under 19 years of age (children), having any of the diagnoses identified in Section 142.370, may receive services only through an EMCP or an MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1).
- b) Children diagnosed with a chronic or acute condition of childhood not included in Section 142.370 may only be enrolled with an EMCP or an MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1) when the diagnosed condition is one that based on its chronicity, severity, complexity and plan of care will require ongoing or long-term treatment, or follow-up, and will require intensive medical management.

- 1) The Department will determine whether individual children qualify under this subsection (b) on a case by case basis upon request. This review will:

- A) Determine whether the child will permanently qualify under this subsection (b), and
 - B) Establish the period of time during which the child's care may not be provided by an MCE, other than an MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1).
- 2) If a child does not qualify, the individual requesting the review and the Provider with whom the child is enrolled, if different from the requester, will be so notified in writing. After the Department finds the child does not qualify, the treating physician(s) may supply additional information and request reconsideration of the Department's decision.
 - 3) For any child who qualifies for a limited period of time, the Department will initiate a follow-up review two months prior to the expiration of the qualification period by contacting the child's EMCP or MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1). This follow-up review will follow the process described in subsection (b)(1) and (2) above. The child's EMCP or MCE which satisfies the provisions of 305 ILCS 5/5-16.3(1) and the child's parent or guardian will be notified in writing of the Department's follow-up decision.
 - 4) If a child is subsequently determined to no longer qualify as chronically or acutely ill, the child's parent or guardian will be notified in writing and asked to make a choice of any available option for the child. After the Department finds the child no longer qualifies, the treating physician(s) may supply additional information and request reconsideration of the Department's decision.
 - c) Notwithstanding any other provisions in this Section, a child born to

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an Enrollee of an MCE shall not be disenrolled pursuant to this Section from that MCE prior to the child's 91st day of life.

Section 142.380 Hospitalized Eligible Enrollees

- a) Except for newborn infants, if an individual becomes eligible for Medical Assistance while hospitalized and is not expected to be discharged within two months from the date of the eligibility interview, the Department shall not enroll that Client in MediPlan Plus until after he or she has been discharged from the hospital to the home or into a non-hospital facility.
- b) Newborn infants whose mothers are enrolled with an MCE shall be enrolled with the same MCE. Newborn infants, whose mothers are enrolled with an EMCP, will be enrolled with the EMCP or MCE of the mother's choice.
- c) Hospitalized Eligible Enrollees residing in Closed Contracting Areas shall be provided a description of MediPlan Plus, a list of choices, and a selection form after discharge from the hospital to the home or into a non-hospital institution.

Section 142.390 Disenrollment and Change of Provider

- a) Enrollees shall remain enrolled with their MCE or EMCP as long as they continue to meet the requirements of an Eligible Enrollee, unless they change their MediPlan Plus Provider pursuant to subsection (c) or (d) below or are disenrolled under subsection (b), (e) or (f) below.
- b) An Enrollee shall be disenrolled from the MCE or EMCP when the Enrollee no longer meets the definition of Eligible Enrollee in Section 142.110 or becomes ineligible under MediPlan Plus, as set forth in Section 142.300.
- c) Enrollees shall be given an opportunity to change their MCE or EMCP without cause at least once every 12 months. If the Enrollee resides in a Closed Contracting Area without MCCN services available, they shall be given an opportunity to change without cause once every six months.
- d) Enrollees may change their MCE or EMCP at any time for cause. Cause may exist in any of the following circumstances:
 - 1) The Enrollee moves out of the Contracting Area served by the MCE or EMCP.
 - 2) The MCE or EMCP no longer serves the Contracting Area in which the Enrollee resides.
 - 3) The Enrollee establishes a reasonable justification, as determined by the Department, for changing the MCE or EMCP. Reasonableness will be determined on a case by case basis and will take into account the unique circumstances of the request.
 - 4) The Enrollee comes under the legal custody or guardianship of the DCS.
 - 5) Fraud or other misrepresentation including, but not limited to,

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Marketing abuse by the MCE or EMCP as determined by the Department.

- 6) The MCE or EMCP becomes bankrupt or insolvent.
- 7) The Enrollee is homeless.
- 8) In the case of EMCPs only, the Enrollee has elected hospice.
- 9) The enrollee is HIV positive.
- e) An MCE or EMCP may request disenrollment of an Enrollee subject to Department approval for cause shown. Cause may include, but is not limited to:
 - 1) Fraud or other misrepresentation by the Enrollee.
 - 2) Threats or harmful physical acts to the Provider or the Provider's staff constituting assault or battery.
 - 3) Theft of property from the Provider's site, or destruction of Provider property.
 - 4) In the case of EMCPs only, Enrollee non-compliance with medical instructions or chronic patterns of missed appointments.
 - 5) In the case of EMCPs only, the Enrollee would be better served by another EMCP.
 - 6) In the case of EMCPs that are CPACs or MCEs that meet the provisions of 305 ILCS 5/5-16.3(1):
 - A) An Enrollee reaches age 19, or
 - B) An Enrollee is determined to no longer have a chronic or acute condition of childhood that satisfies the requirements of Section 142.370.
 - 7) In the case of MCEs only, excluding MCEs which satisfy the provisions of 305 ILCS 5/5-16.3(1), a child is determined to have a chronic or acute condition of childhood that satisfies the requirements of Section 142.370.
 - 8) With the exception of chronically ill children as defined in Section 142.370, in no case will a request for disenrollment based on a pre-existing condition, as determined by the Department, be approved.
 - f) In the case of an Enrollee who no longer meets the criteria specified in Section 142.370 and who is enrolled with an EMCP that is a CPACC or an MCE that meets the provisions of 305 ILCS 5/5-16.3(1), the Enrollee shall be disenrolled.
 - g) Prior to a disenrollment pursuant to subsections (e)(1) through (e)(7) and (f) above, the Enrollee will be sent a notice by the Department and will be permitted to make a new choice of MediPlan Plus Providers.
 - h) Disenrollments under subsections (d), (e)(1) through (e)(6) and (f) above shall only become effective when the Eligible Enrollee has chosen or been assigned to a different EMCP or MCE.
 - i) Disenrollments occurring under subsection (e)(7) above shall only become effective when the Enrollee has chosen or been assigned to an EMCP or MCE satisfying the provision of 305 ILCS 5/5-16.3(1). For newborns, such disenrollment shall take place no earlier than the child's 91st day of life.
 - j) The effective date for disenrollments shall be the first day of

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calendar month after the disenrollment is effectuated by the Department.

k) All disenrollments must be documented fully in the Enrollee medical file.

l) The MCE shall request disenrollment of an Enrollee effective upon the 101st day of residence in a nursing facility.

m) Upon request from the EMCP or MCE, an Enrollee may not re-enroll or be assigned to an EMCP or MCE from which disenrollment has occurred during the previous twelve months.

SUBPART D: MANAGED CARE ENTITY COVERED SERVICES, EXCLUDED SERVICES AND BENEFIT EXPLANATION REQUIREMENTS

Section 142.400 Services Provided by a Managed Care Entity

a) Except for services excluded in Section 142.450 and subject to the amount, duration and scope as provided in 89 Ill. Adm. Code 140, MCE services shall include the following services, when medically necessary, unless contrary to the moral or religious beliefs as defined in the Right of Conscience Act [745 ILCS 70]:

- 1) Inpatient hospital services including dental hospitalization.
- 2) Outpatient hospital services.
- 3) Laboratory and x-ray services. The drawing of blood for lead screening shall take place within the MCE's facilities or elsewhere at the MCE's expense; specimens shall be examined by the Illinois Department of Public Health Laboratory.
- 4) Long term care. The MCE shall be responsible for covering a maximum of 100 days of nursing facility care per episode per Enrollee. Enrollees residing in a nursing facility for more than 100 days shall be disenrolled by the Department.
- 5) Physician services.
- 6) Home health care services.
- 7) Certified hospice care.
- 8) Private duty nursing services.
- 9) Nurse midwife services.
- 10) Pharmacy services.
- 11) Orthotic/prosthetic devices.
- 12) Physical, occupational, speech and language therapies for Enrollees 19 years of age and older.
- 13) Transportation to and from source of medical care.
- 14) Emergency and Urgent Care medical services.
- 15) Blood and blood components and the administration thereof.
- 16) Transplant services in accordance with 89 Ill. Adm. Code 148.82.
- 17) Durable and nondurable medical equipment and supplies.
- 18) Assistive/augmentative communication devices.
- 19) Mental health and alcohol and substance abuse services not excluded under Section 142.450.
- 20) Optical supplies other than eyeglasses.

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21) Medical procedures performed by a dentist.

22) Other categories of services as may be specified in the contract.

b) The following services and benefits shall be included as covered services:

- 1) Preventive services.
- 2) Family planning services and supplies, including physical examination and counseling provided during the visit, annual physical examination for family planning purposes, pregnancy testing, voluntary sterilization, insertion or injection of contraceptive drugs or devices, contraceptive drugs and supplies, related laboratory and diagnostic tests, testing/screening for transmitted infections. If an Enrollee self-refers for family planning services, the MCE must reimburse the Provider using the Department rates.
- 3) Healthy Kids Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services in accordance with 89 Ill. Adm. Code 140.485.
- c) Emergency Care
 - 1) Emergency Care shall be available on a 24-hour basis, seven days a week.
 - 2) Ongoing education shall be provided to Enrollees regarding the appropriate use of Emergency Care.
 - d) Prenatal and perinatal services shall meet the risk assessment and referral standards established in 77 Ill. Adm. Code 640, Regionalized Perinatal Health Care Code and MCEs shall cooperate with morbidity and mortality reviews. Prenatal requirements shall include testing all pregnant women, except for those refusing to be tested, for HIV. Services shall be available and accessible with sufficient facilities, service locations, and service sites to provide the services listed in subsections (a) and (b) above.
 - f) The MCE will provide appropriate interpreter services for non-English speaking Enrollees and for Enrollees who are deaf or hard of hearing that meet the accessibility standards described in Section 142.200(b)(13).
 - g) After Hours Services
 - 1) An MCE must require that medical professionals are made available, either in person or by telephone, to triage an Enrollee's request for care and to direct the Enrollee to an appropriate source of Emergency Care, Urgent Care, or routine care, as required. The MCE must meet the requirements of Public Act 89-673.
 - 2) An Enrollee who presents a medical complaint in person shall be triaged in a timely manner.
 - 3) Telephone calls shall be returned within a reasonable period of time.
 - 4) A record of after hours care, after hours telephone calls, and after hours services rendered and denied shall be maintained and

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made available to the Department upon request.

- h) Services not enumerated in subsections (a) through (c) of this Section, but listed in 89 Ill. Adm. Code 140, shall be available to the Enrollee through the Department in accordance with 89 Ill. Adm. Code 140.
- i) Enrollee Outreach and Education Services
 - 1) An MCE shall establish and maintain an ongoing program of outreach and education for Enrollees concerning appropriate health care practices, the contributions they can make to the maintenance of their own health, and their rights as Enrollees of the Plan. The program shall be subject to prior approval by the Department, conducted in the language of the Enrollee if the Enrollee does not speak English, and shall include, but not be limited to:
 - A) Information on how to use the Plan, including written disclosure of:
 - i) treatment policies,
 - ii) covered services and any restrictions or limitations on health services, including, but not limited to, physical services, clinical laboratory tests, hospital and surgical procedures, prescription drugs and biologics, and radiological examinations,
 - iii) availability of program services not provided by the MCE,
 - iv) choice of site and health care Providers,
 - v) grievance procedures, including the Enrollee's responsibilities during the grievance process,
 - vi) availability of Emergency Care in and out of the MCE's Contracting Area, and
 - vii) disenrollment and change of Provider procedures as set forth in Section 142.390.

- B) Information on preventive care, including the need for and benefits of childhood vaccinations, immunization services, health screenings and physical examinations, including the availability of such examinations to all Enrollees.
- C) Information on health conditions which may affect the general population and specific information for persons who have a specific health condition, including, but not limited to, obesity, smoking, alcoholism, substance abuse and inadequate or inappropriate nutrition.
- D) Ongoing education to Enrollees regarding the appropriate use of Emergency Care and Urgent Care services.
- E) Educational material in the form of printed, audio, visual or personal communication.
- F) Information clearly written in English. If approximately five percent or more of low income households in the local public aid office area are of a single-language minority as determined by the Department, then the materials must be

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available in that language.

- G) Appropriate accommodations for vision and hearing impaired Enrollees in accordance with the accessibility standards described in Section 142.200(b)(14). A potential format could include captioned videos.
- H) The appointment of a person to be responsible for the coordination and implementation of the educational program.
- 2) The MCE shall review the health education program, at reasonable intervals, for the purpose of making improvements thereto.
- 3) Upon request by the Department, the MCE shall provide information and reports of the status of its approved health education program.

Section 142.450 Managed Care Entity Service Exclusion Provisions

a) Introduction

As mandated by Public Act 88-554, certain services under MediPlan Plus shall be excluded from MCE contracts. Children with chronic and acute conditions as defined in Section 142.370 are excluded from MCE contracts upon such determination by the Department. Services specified and defined in this Section shall be available to Eligible Enrollees, but are reimbursed under other applicable administrative rules. Referrals for services specified and defined in this Section are the responsibility of the MCE. Referrals must be made in accordance with the provisions of Section 142.460.

b) Behavioral Health Services

- 1) Subacute alcohol and substance abuse treatment services as defined in the State Medicaid Plan and in 77 Ill. Adm. Code 2090, funded by the Department and the Department of Alcoholism and Substance Abuse, excluding acute medical detoxification. Acute medical detoxification requires a justifiable hospital admission for a medical condition related to the detoxification services.
- 2) Mental health services provided and funded by the Department as described below:
 - A) Inpatient hospital and physician services which are necessary to assess and treat diagnosed conditions described in Section 142.TABLE B.
 - B) Outpatient psychiatric services which are necessary to assess and treat diagnosed conditions described in Section 142.TABLE B of this Part provided at hospitals or clinics enrolled with the Department to provide category of service 27 or 28.
 - C) Physician services, laboratory procedures and transportation services which are necessary to assess and treat diagnosed conditions described in Section 142.TABLE B.
 - D) Prescription drugs containing clozapine, risperidone, olanzapine, sertindole and other drugs as approved by the Department.

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E) The following prescription drugs when prescribed for the treatment of the diagnosed conditions described in Section 142.460(c)(1), (c)(2) and (c)(13) that are in excess of the utilization profiles described in Section 142.502(c) shall be subject to the adjustments described in Section 142.502(d).

- i) Antipsychotics
- ii) Antidepressives
- iii) Anticonvulsants
- iv) Anxiolytics
- v) Sedative hypnotics
- vi) Betablockers
- vii) Clonidine

3) Other mental health services as follows:

A) Outpatient mental health specialty services provided pursuant to 59 Ill. Adm. Code 132, including targeted case management funded by the Department of Mental Health and Developmental Disabilities which are necessary to assess and treat conditions listed in Section 142.460(c)(1), (c)(2) and (c)(13) that are in excess of the utilization profiles described in Section 142.502(c) shall be subject to the adjustments described in Section 142.502(d).

B) Mental health services provided pursuant to 59 Ill. Adm. Code 132 by the Department of Children and Family Services.

c) Other Services

1) Inpatient and outpatient services provided to children at a hospital, as described in 89 Ill. Adm. Code 149.50(c)(3) in accordance with Section 142.460.

2) Physical rehabilitation services provided at hospitals and units of hospitals enrolled with the Department to provide such services (categories of service 22 and 29), in accordance with Section 142.460.

3) Early intervention services, including case management, provided pursuant to the Early Intervention Services System Act [325 ILCS 201].

4) Services provided through school-based clinics.

5) Services provided through local education agencies that participate in the Special Education Medicaid Matching Fund Program.

6) Dental services as described in 89 Ill. Adm. Code 140.420 and 140.421.

7) Optometric services and supplies as described in 89 Ill. Adm. Code 140.416 and 140.417.

8) Long term care for individuals who were not eligible for Medical Assistance prior to the first day residing in a long term care facility.

9) Long term care excluding the first 100 days of care for individuals who were eligible for Medical Assistance prior to the first day residing in a long term care facility.

10) Blood lead screening laboratory services as provided by the Illinois Department of Public Health and epidemiological surveys (HCPCS w7401) performed by local health departments.

11) Services provided under Section 1915(c) of the Social Security Act home-and-community-based waivers.

12) Services provided by an FQHC in the instance where at the time of enrollment the Enrollee did not have a choice allowing access to FQHC services.

13) Services provided by a county provider, as defined in 305 ILCS 5/15(9-5), as a provider type.

14) Audiology services, physical therapy, occupational therapy and speech therapy provided to Enrollees under 19 years of age.

d) Manner of Service Provision

1) The MCE is not obligated to provide for the non-covered services specified in this Section. However, services described in subsections (c)(1), (c)(2) and (c)(13) that are in excess of the utilization profiles described in Section 142.502(c) shall be subject to the adjustments described in Section 142.502(d).

2) Enrollees who require services available through Medical Assistance, but not covered by Medicaid Plus, may receive those services through the Medical Assistance program.

3) Upon the MCE determining that an Enrollee requires any of the excluded services identified in Section 142.450, the MCE shall notify the Department.

4) The MCE will continue to be responsible for the covered services listed in Section 142.400.

e) Pursuant to the provisions of 305 ILCS 5/5-16.3(r) the Department may waive certain provisions of this Section.

Section 142.460 Managed Care Entity Referral Provision

a) The MCE's Providers shall determine the need for the excluded services or specialized Providers described in Section 142.450 and the MCE shall refer Enrollees. Such referrals shall be made in accordance with administrative rules or written policies of the respective State Agencies governing those services or Providers.

b) Authorization for Payment for Certain Referrals

1) Reimbursement to Providers described in Section 142.450(c)(1) and (c)(2) shall be made only under the following conditions:

A) The source of payment was not considered as a reason for the referral.

B) The referring Provider attests that referral was medically necessary.

C) The referral was recorded and sent to the Department pursuant to Section 142.275.

D) The referral does not violate the Illinois Healthcare Worker Self-Referral Act [225 ILCS 47] or the federal Medicare/Medicaid Anti-kickback Statute (42 USC 1320a-7b(B)).

2) Any payment claim for services to referred Enrollees described under this Section may be reviewed by the Department or its designee for necessity and appropriateness of care prior to payment.

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- 3) If the referral was made inappropriately by the MCE, the MCE shall be responsible for paying the Provider for the services rendered.
- c) The Department will pay for services described in subsection (b) above for Enrollees only if authorization has been recorded by the Department.
- d) Immunizations provided by a local health department, and other services as may be specified in contract, do not require referral authorization from an MCE.

SUBPART E: RATES AND PAYMENT SCHEDULES

Section 142.500 Rate Determination for Enrolled Managed Care Providers

- a) Enrolled Managed Care Providers (EMCPs)
 - 1) Physicians enrolled with the Department to participate in MediPlan Plus as EMCPs shall be paid for covered services on a fee-for-service basis under the Department's fee-for-service rates paid to physicians, in accordance with 89 Ill. Adm. Code 140.400.
 - 2) Federally Qualified Health Centers (FQHCs)
 - Payment to FQHCs for covered services shall be at the Department's approved rate established for each center in accordance with 89 Ill. Adm. Code 140.463(c).
 - 3) Rural Health Clinics (RHCs)
 - Payment to RHCs for covered services shall be at the Medicare approved rate in accordance with 89 Ill. Adm. Code 140.466.
 - 4) Certified Pediatric Ambulatory Care Centers (CPACCs)
 - Payment to CPACCs for covered services shall be at the Department's approved rate in accordance with 89 Ill. Adm. Code 140.463(a).
- b) Patient Management Fee
 - EMCPs will receive a monthly patient management fee for each Enrollee, except that such fee shall not be paid for any Enrollee enrolled with the EMCP only as a woman's health care EMCP, as defined in Section 142.260(b). The total patient management fees for EMCPs may not exceed 1,500 Enrollees multiplied by the monthly patient management fee, unless the EMCP establishes to the satisfaction of the Department that an exception is justified.
- c) Payment Structure
 - 1) The fee-for-service rates, as described in subsections (a)(1) through (a)(4) above, shall be authorized for payment on a per claim basis subject to Department rules governing claims submission by Providers.
 - 2) EMCPs shall be reimbursed according to 89 Ill. Adm. Code 140.400(b) for covered services rendered to their Enrollees. Identical services rendered to enrollees by fee-for-service

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Providers not enrolled in MediPlan Plus also shall be reimbursed according to 89 Ill. Adm. Code 140.400(b) provided those services have been authorized in accordance with this Part 142.

Section 142.502 Rate Determination for Health Maintenance Organizations and Managed Care Community Networks

- a) Risk Based Capitated Payments
 - 1) Capitated payment rates paid to HMOs or MCCNs under MediPlan Plus shall be set forth in the contract between the HMO or MCCN and the Department. Contractually set rates shall be negotiated with HMOs and MCCNs and may not exceed the fee-for-service limitations established under this Section, including any adjustments described in subsection (d) below.
 - 2) The capitated rates, after any appropriate adjustment under subsection (d) below, shall be considered the complete and final rates paid to HMOs or MCCNs for all services provided under MediPlan Plus.
 - 3) Maximum capitated reimbursement rates paid by the Department will be actuarially sound, as certified by an actuary who is an associate or a fellow of the Society of Actuaries or a member of the American Academy of Actuaries and who has expertise and experience in medical insurance and benefit programs, in accordance with the Department's current fee-for-service payment system, and take into account any difference of cost to provide health care to different populations based on gender, age, location, and eligibility category [305 ILCS 5/5-16.3(g)] and may take into account diagnoses and cost thresholds.
 - 4) Under authority granted in 305 ILCS 5/5-16.3(g) and (1), and as described in subsection (d) of this Section, the Department shall ensure that the capitated payments made to HMOs or MCCNs are adjusted to avoid providing any financial incentive to an HMO or MCCN to refer, above normally expected referral levels, Enrollees of the Plan to:
 - A) A county provider, as defined in 305 ILCS 5/15(a-5), as a provider type; and
 - B) Excluded children's hospital services, as defined in Section 142.450(c)(1); and
 - C) Excluded physical rehabilitation services, as defined in Section 142.450(c)(2).
 - 5) To prevent over-payments to HMOs and MCCNs that could occur through the referrals for services described in subsection (a)(4) above, the Department will adjust negotiated capitation rates to an individual HMO or MCCN to the extent that utilization for such services exceeds the utilization profiles established under subsection (c).
 - 6) The Department will adjust the negotiated capitation rates to an individual HMO or MCCN to the extent that services are rendered

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to Enrollees through local health departments, unless the HMO or MCHN has a subcontract, as described in Section 142.200(b)(12), with the local health department covering the services.

b) Maximum Capitation Rates

1) The Department shall annually establish maximum capitation rates using a per member per month basis for each rate cell established under MediPlan Plus. The maximum capitation rates will be based on:

- A) an actuarially sound basis of the Department's fee-for-service payment system for the Eligible Enrollees and services as described in Section 142.400, less:
 - i) any institutional add-on payment that is made directly to an institutional provider by the Department,
 - ii) any payments made for services and Providers as excluded under Section 142.450 and defined under subsection (a)(4) above, and
 - iii) any other payments for services excluded under Section 142.450.

2) Per member per month rate maxima will be based on the following:

- A) For the first program year of MediPlan Plus, the per member per month rate maxima will be based on services, less exclusions, as described in subsection (b)(1)(A) above, with dates of service occurring during State Fiscal Year 1995, trended forward by a factor determined by the Department.
- B) For each subsequent program year of MediPlan Plus, the per member per month rate maxima will be based on services less exclusions, as described in subsection (b)(1)(A) above, provided during the State's fiscal year used for the determination of the previous program year, trended forward by a factor determined by the Department.

c) Utilization Profiles

1) For the first MediPlan Plus program year, the Department will develop a utilization profile for each rate cell that determines the number and type of medical procedures described in subsection (a)(4) above that had a date of service occurring in State Fiscal Year 1995.

2) For each subsequent MediPlan Plus program year, the Department will develop a utilization profile for each rate cell that determines the number and type of medical procedures described in subsection (a)(4) above that had a date of service occurring during each subsequent 12 month period following State Fiscal Year 1995.

d) Adjustments to Individual HMO and MCHN Contracts

- 1) For the purpose of this subsection (d), "Service Delivery Year" means the 12 month period beginning with the effective date of coverage of the first Enrollee under an HMO or MCHN contract and any consecutive 12 month period for the duration of the contract.
- 2) Following the conclusion of each Service Delivery Year of a

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contract, the Department will measure the utilization of Enrollees with each HMO and MCHN by rate cell. For each HMO and MCHN, the Department will measure the extent to which the utilization of services described in subsection (a)(4) above deviates from the utilization profile as determined in subsection (c)(1) or (2) above for the Service Delivery Year being measured. If the Department determines that an HMO or MCHN deviates from the utilization profile, the Department will:

- A) For those HMOs and MCHNs that continue to participate in MediPlan Plus, adjust the HMO's or MCHN's per member per month rate. The adjustment to the per member per month rate will occur during the last six months of the HMO's or MCHN's current Service Delivery Year and will be in an amount equal to the total value of the deviation from the utilization profile determined in subsection (c)(1) or (2) above. All initial adjustments made to an HMO or MCHN will be multiplied by a factor of two. All subsequent adjustments will include a reconciliation between any previous adjustments paid and the actual deviation from the utilization profile.
- B) For those HMOs and MCHNs that do not continue to participate in MediPlan Plus, the Department will bill or reimburse the HMO or MCHN in an amount equal to the total value of the deviation from the utilization profile determined in subsection (c)(1) or (2). For deviations resulting in a payment due to the Department, if the HMO or MCHN does not pay the Department within 60 days after the billing, the amount, plus a sanction equal to 25 percent of that amount, will be treated as an unsatisfied Statutory Payment Obligation to an Unrelated Provider and shall be recouped from the HMO's trust as defined in Section 142.230(b)(2)(A)(iv), or in the case of an MCHN, recouped from the MCHN's provider trust, as described in Section 142.220(b)(4)(A)(iv).

Section 142.505 Rate-Setting Regions

- a) Under Illinois Public Aid Code [305 ILCS 5/5-16.3(g)], the Department must take into account any difference of cost to provide health care to different populations based, in part, on location, in determining capitated reimbursement rates for MCEs.
 - 1) The Department has divided the State into five rate-setting regions.
- 2) Under Section 142.502, the Department also uses these rate-setting regions in determining capitated rate adjustment payments for MCEs.
 - b) The five rate-setting regions are as follows:
 - 1) Northwestern Illinois (Rate-Setting region I) is comprised of the following counties: Boone, Bureau, Carroll, DeKalb, Fulton,

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Henderson, Henry, Jo Daviess, Knox, LaSalle, Lee, Marshall, Mercer, Ogle, Peoria, Putnam, Rock Island, Stark, Stephenson, Tazewell, Warren, Whiteside, Winnebago and Woodford.

- 2) Central Illinois (Rate-Setting region II) is comprised of the following counties: Adams, Brown, Calhoun, Cass, Champaign, Christian, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Greene, Hancock, Iroquois, Jersey, Livingston, Logan, Macon, Macoupin, Mason, McDonough, McLean, Menard, Montgomery, Morgan, Moultrie, Piatt, Pike, Sangamon, Schuyler, Scott, Shelby and Vermilion.

- 3) Southern Illinois (Rate-Setting region III) is comprised of the following counties: Alexander, Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, St. Clair, Union, Wabash, Washington, Wayne, White and Williamson.

- 4) Cook County (Rate-Setting region IV) is the County of Cook, less the far northwest Cook County zip code areas 60010, 60103, 60107, 60118 and 60123.

- 5) Collar Counties (Rate-Setting region V) is comprised of the following counties: DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry and Will. The following zip code areas within the far northwest portion of Cook County are also included: 60010, 60103, 60107, 60118 and 60123.

Section 142.510 Emergency Care Payments by a Managed Care Entity

- a) An MCE shall reimburse out-of-Plan Providers for Emergency Care at the Department's rates in effect on the date of service.
- b) If an Enrollee of an MCE presents for care at an out-of-Plan hospital emergency department and receives care that is not Emergency Care, at a minimum the MCE shall reimburse the hospital and the physician for an emergency room screening. Such reimbursement shall be equal to the Department's payment for procedure 99282 of the Physician's Current Procedural Terminology (CPT), fourth edition. An emergency room screening fee shall be paid only in those instances where no other payment is made.
- c) At its discretion, an MCE may authorize and reimburse out-of-Plan Providers for care provided in hospital emergency departments at rates greater than those stipulated in subsection (b) above.

Section 142.530 Managed Care Entity Contract Negotiation Process

Pursuant to Public Act 88-554, the Department shall negotiate and enter into contracts with MCEs for the provision of medical care to Eligible Enrollees. The agent who has authority to bind the prospective contractor must be present at the second and any subsequent negotiating sessions. Except as explicitly

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agreed to in writing by the Department and a prospective contractor, the contents of all meetings and communications in the course of negotiating and arriving at terms of a contract shall be strictly privileged and confidential. In the event that documents, minutes, data communications or other similar material and information held by a party to negotiations or to a contract are sought by a third party through administrative process, court order or other similar administrative or judicial mechanisms, the party subject to such attempt shall immediately notify the other party and allow the other party to contest such attempt jointly or of its own accord.

Section 142.532 County Provider Provisions

A Provider owned or operated by an Illinois county with a population greater than three million:

- a) May form a County MCE without establishing a separate corporate entity, provided that the obligations of the MCE are an obligation of or guaranteed by the county.
- b) May be considered a County MCE under this Part 142 only to the extent of the provision of services to Enrollees in conjunction with MediPlan Plus.
- c) May participate as a County HMO, provided it meets the requirements of the Health Maintenance Organization Act [215 ILCS 125] including rules promulgated by the Illinois Department of Insurance (50 Ill. Adm. Code 6101) and the Illinois Department of Public Health (77 Ill. Adm. Code 240).
- d) Shall be entitled to contract with the Department with respect to any contracting region (area) located in whole or in part within the geographic boundaries of that county [305 ILCS 5/5-16.3(a)].
- e) Shall not be required to accept Enrollees who do not reside within the geographic boundaries of that county.
- f) Shall be exempt from the Net Worth requirements under Sections 142.220 and 142.230.

Section 142.538 Reporting Requirements

- a) Access to Records
 - Each MCE shall, during the life of its MediPlan Plus contract as described in Section 142.200(b)(1), or any renewal of the contract, and for five years thereafter, provide the Department and any other State or federal entity access to and the right to examine any pertinent books, documents, papers and records of the MCE involving any and all transactions related to the performance of the contract. In addition, the MCE will furnish all information necessary for the Department to comply with all State and federal regulations.
- b) Reporting Requirements of an MCE
 - 1) Each MCE shall make reports to the Department concerning activity under MediPlan Plus.
 - A) Such reports shall encompass information concerning, but not

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limited to, financial status, income and expenses, timeliness of payments, provider network, services delivered and whether paid or denied, out-of-plan services delivered and whether paid or denied, Enrollee characteristics, Marketing activity, Enrollee and provider grievance activity, quality assurance and utilization review activity, health outcomes and Enrollee and provider termination.

- B) The format, data elements and schedule for such reports shall be determined by the Department and specified in contract and provider notices.
- C) Reports may be periodic or ad hoc, as determined by the Department.
- D) Reports shall be submitted in hard copy or electronically as determined by the Department.

- 2) Each MCE shall, on a monthly basis, transmit electronically in a medium and format specified by the Department the following:

- A) Claim level detail data on all health care encounters and services provided and reimbursed by the MCE or its contractors.
- B) Data on Enrollees for whom no medical services were provided during the month.
- 3) The Department shall monitor the MCE's compliance with the terms of the contract and may request information sufficient to determine compliance. If the MCE fails to comply with the request of the Department, the Department may impose sanctions, pursuant to Section 142.800.
- 4) Failure to provide requested periodic reports will result in the MCE paying any costs incurred to obtain such information.
- 5) The MCE shall report, to the Department, Health Plan Employer Data and Information Sets (HEDIS) as established by the National Committee on Quality Assurance, as specified by the Department.

Section 142.560 Expedited Payments to Managed Care Community Networks

- a) In an Illinois county with a population of three million or more, an MCCN shall, upon written request, receive Expedited Payment, as described in subsection (c) below, of its capitated reimbursement for each of its Enrollees if both of the following criteria are met:

- 1) At least 75 percent of its ownership is composed of hospitals that are qualified as disproportionate share hospitals on or after July 1, 1994.
- 2) At least 75 percent of its Enrollees that have required inpatient health care services have received the necessary services at the disproportionate share hospitals or those hospitals' affiliated sites.
- b) In Illinois counties with a population of less than three million an MCCN shall, upon written request, receive Expedited Payment of its capitated reimbursement for each of its Enrollees if the requirements

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of 89 Ill. Adm. Code 140.71(b) are met, and:

- 1) At least 20 percent of its membership is composed of hospitals that are qualified as disproportionate share hospitals on or after July 1, 1994, or
- 2) At least 35 percent of its Enrollees receive services at the disproportionate share hospitals or those hospitals' affiliated sites.
- c) For the purpose of this Section, "Expedited Payments" means payments issued within the same calendar month as the service month.

SUBPART F: QUALITY ASSURANCE

Section 142.700 Quality Assurance; Duties of the Managed Care Entity

- a) Quality assurance is designed to provide Managed Care Entities (MCEs) with the flexibility to manage quality assurance programs (QAPs) in a way that suits their needs and those of their Enrollees.

- 1) This function shall include, but not be limited to the following requirements:

- A) Each MCE shall have an ongoing QAP and will be held to a community standard of quality. All services provided or arranged by an MCE will be in accordance with sound medical practice.
- B) Each MCE must be able to demonstrate that its QAP satisfies any and all applicable State and federal statutory, regulatory, and administrative requirements that address quality of care oversight in Medicaid managed care, including but not limited to 42 CFR 417.1106.
- C) Each MCE shall be required to adhere to any new quality assurance requirements that result from statutory, regulatory or administrative changes at the federal or State levels.
- D) Each MCE shall have a written description of its QAP. This description shall meet federal and State requirements regarding goals and objectives, scope, methodology, activities, provider review, focus on health outcomes and the system process of quality assessment and improvement.
- E) Each MCE's governing body shall be accountable for the QAP.
- F) Each MCE shall remain responsible for the QAP, even if certain functions are delegated.
- 2) Each QAP shall delineate an identifiable structure, including a designated committee responsible for overseeing the performance of quality assurance functions.
- A) The role, structure and function of the oversight committee shall be specified, and records maintained documenting the activities.
- B) The committee shall, at a minimum, meet quarterly, based on the State fiscal year, to oversee the QAP activities.

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- C) There shall be representation in the quality assurance committee from Plan Providers, including at least one physician licensed to practice medicine in all its branches, participating as an MCE Provider.
- D) There shall be a defined structure for assuring that MCE management activities are coordinated with other activities, including but not limited to quality assurance activities.
- 3) Each MCE must also have a written procedure for referring cases of fraud and abuse to either the Office of the Inspector General of the Department or the Illinois Medicaid Fraud Control Unit of the Illinois State Police.
- b) Quality Assurance Activities. Each MCE shall have a written plan to assess the degree to which individual Enrollees are able to obtain needed services from the medical care system, monitor utilization of that health care, and develop a standard set of access requirements.
- 1) The access to care requirements shall include, but not be limited to the following:
- A) Informing Enrollees about the availability of specific services and health care Providers;
 - B) Informing Enrollees on how to access needed health care services;
 - C) Assessing the geographical needs of their Enrollees in assuring access to Providers, appropriate hours of operation, availability of public transportation, and maximum waiting periods for scheduled appointments;
 - D) Evaluating the extent to which Care Coordinating Providers track, coordinate and monitor certain preventive and primary care services such as, but not limited to, immunizations and Early and Periodic, Screening, Diagnosis and Treatment services;
 - E) Ensuring that Enrollee informational and educational materials are translated into other languages, that access to interpreters is available upon request and that, if approximately five percent or more of low-income households in the local public aid office area are of a single-language minority as determined by the Department, then the material is made available in that language;
 - F) Assuring access and referral to specialists based on the anticipated needs of the population served;
 - G) Providing procedures for scheduling Enrollee appointments;
 - H) Providing procedures for triage of walk-in Enrollees with non-urgent medical needs;
 - I) Providing procedures for following up on failed appointments, including rescheduling of appointments as medically necessary, and documentation in the Enrollee record of broken appointments and recall efforts; and
 - J) Providing a defined process for problem resolution, disenrollment, voicing complaints, and recommending changes

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- in policies and services.
- 2) Membership Service Assurance. Each MCE shall have an Enrollee orientation plan to assure that every Enrollee understands the benefits available through the Plan, and how to access care (both in and out of Plan).
- A) MCEs shall provide Enrollees with a written description of benefits at the time of enrollment, updated no less than annually. This written description at a minimum shall include:
- i) Rights and responsibilities of Enrollees, including that Enrollees shall not be subject to discrimination because of their Medical Assistance status;
 - ii) Benefits and services included and excluded as a condition of enrollment, and how to obtain them;
 - iii) Any special benefit provisions that may apply to services obtained outside the Plan, as well as the procedures for after-hours, Urgent Care, and Emergency Care;
 - iv) Provisions for after-hours Emergency Care. Information on how to use the Plan, including information on how to obtain Emergency Care services in and out of the Plan's enrollment area;
 - v) The MCE's policy on referrals for specialty care;
 - vi) Any applicable charges to Enrollees imposed by the MCE on its Enrollees for services not covered by the Illinois State Medicaid Plan;
 - vii) Procedures for notifying those Enrollees affected by the termination or change in any benefits, service, or service delivery office/site;
 - viii) Procedures for appealing benefit, clinical or administrative decisions;
 - ix) Procedures for selecting and changing designation of Care Coordinating Provider;
 - x) Procedures for disenrollment in accordance with Department requirements;
 - xi) Procedures for filing complaints and/or grievances and for recommending changes in policies and services.
- B) Amendments and revisions shall be submitted to the Illinois Department for approval in writing prior to implementation.
- C) The description must be understandable prose and be available in both English and Spanish and in large print and Braille or audiotape for Enrollees with vision impairments.
- 3) Complaint Log Monitoring. An Enrollee complaint log shall be established and monitored by each MCE to ascertain all problems related to quality of service at the individual provider level including, but not limited to, quality of service. The MCE's written plan to log complaints must receive prior approval by the Department, and must, at a minimum, include the following:

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- A) Procedures for registering and responding to complaints and grievances in a specified time;
 - B) Procedures for recording the substance of the complaints;
 - C) A method for monitoring complaints against Providers, and coordinating this function with established grievance procedures; and
 - D) A method for tracking minor but regular complaints about specific Providers that may be indicative of problems.
- 4) Provider Credentialing. Credentialing standards and processes shall be established that follow those established by an independent national organization. For this purpose, the standards established by the National Committee for Quality Assurance (NCQA), among others, are acceptable to the Department.
- A) Each MCE shall have a written description of its credentialing process.
 - B) Each MCE shall document its adherence to these standards. An MCE shall satisfy this requirement if credentialing responsibility is delegated to another organization that satisfies the standards.
 - C) Termination for cause must go to the MCE's quality assurance committee for review. The written results of this review shall be provided to the Department.
 - D) Each MCE shall have a written plan in place that details how Provider profiling shall be accomplished.
- 5) Health Education and Prevention
- A) Health Education. The MCE shall establish and maintain an ongoing health education program which shall advise Enrollees concerning appropriate health care practices and the contributions they can make to the maintenance of their own health. The program shall provide, at a minimum, the following:
 - i) Information on preventive care, including the value and need for screening and preventive maintenance;
 - ii) Information on any health conditions or diseases which may affect the general population and specific information for persons who have a specific health condition or disease, including but not limited to obesity, smoking, alcoholism, substance abuse and improper nutrition;
 - iii) Educational material in the form of printed, audio, visual or personal communication;
 - iv) Information in English and in large print and Braille or audiotape for Enrollees with vision and auditory impairments; and, if approximately five percent or more of low-income households in the local public aid office area are of a single-language minority as determined by the Department, then the material shall be available in that language; and

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- v) Someone to be responsible for the coordination and implementation of the health education program for Enrollees.
- B) Prevention shall include:
 - i) Each MCE shall adhere to preventive care guidelines, as established by the Department and statute.
 - ii) Each MCE shall have a process for tracking adherence to these guidelines as well as reporting results to the Department.
 - iii) Each MCE shall have a process for identifying additional areas for preventative guidelines based on the specific needs of the population served by the MCE, and a method for implementing and monitoring such practices.
 - iv) Each MCE shall have a process for ensuring that all Providers understand and adhere to these guidelines.
- 6) Medical Records. Each MCE shall maintain a medical record system in a manner that is current, detailed, organized and permits effective patient care and quality review. This medical record system shall also satisfy the State's needs for information.
 - A) The MCE shall maintain information by Enrollee which documents care delivered during and after normal business hours, as well as ancillary services provided.
 - B) The MCE shall have written procedures for assuring that medical records requirements are satisfied.
 - C) A written procedure shall be in place that describes how Enrollee information is kept confidential.
 - D) The medical record shall include Enrollee identification and Provider identification. All entries must be legible, dated, and the medical record must include all items identified in Section 142.205.
- 7) Focused Medical Studies. MCEs shall conduct detailed investigations of certain aspects of health care services which are designed to answer defined questions about the quality and appropriateness of care, and suggest ways that care can be improved (for example, pregnancy, asthma, immunizations). These studies may be conducted through the review of medical records, by reviewing claims or other administrative data, by conducting special surveys, or other mechanisms conducted by the MCE with approval by the Department. Focused medical studies shall have the following components:
 - A) A clearly defined study question which focuses on relevant areas of concern in health care.
 - B) Well defined clinical indicators to be monitored and evaluated to help answer the question.
 - C) A standard or standards against which the MCE compares itself.
 - D) A method for analyzing the results to indicate ways in which

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the MCE can improve the care it delivers to Enrollees.

- 8) Peer Review. Each MCE shall have in place a peer review committee responsible for reviewing medical care provided and making recommendations for changes when problems are identified. The committee membership shall include physicians licensed to practice medicine in all its branches. The duties of the committee shall include, but not be limited to, the maintenance of all supporting documentation of all reviews and actions taken. The committee shall provide these records to the Department upon request.
 - A) The peer review program shall evaluate the process by which care is given by all plan Providers and any contract Providers, as well as outcomes of that care.
 - B) The peer review process shall be based on scientific principles governing research design and statistical analyses. In addition, the focus of the reviews shall be on health care services and their delivery.
 - C) The purpose of the review function is to:
 - i) provide the Department with an assessment of the quality of health care delivered to Enrollees;
 - ii) resolve identified problems in health care and contribute to improving the care of all Enrollees in an MCE;
 - iii) define a procedure for education or disciplinary action to correct errors or change Provider behavior; and
 - iv) define a procedure for reviewing the peer review process on at least an annual basis or more frequently if needed.
- 9) Utilization. Each MCE shall have in place a written utilization management program description which includes, at a minimum, procedures to evaluate medical necessity, criteria used, information sources, and the process used to review and approve the provision of medical services. Providers shall be provided the utilization review criteria and information sources upon request to the MCE.
 - A) Each MCE shall have a utilization review committee to review data gathered on the appropriateness and quality of care. The committee must make recommendations for changes when problem areas are identified.
 - B) MCEs shall, at a minimum, comply with the utilization control provisions of 42 CFR Part 456.
 - C) MCEs shall monitor the types and numbers of physicians who serve as Care Coordinating Providers; the maximum number of Enrollees per Care Coordinating Provider; and utilization profiles of Care Coordinating Providers.
- 10) Information Management. Each MCE shall have in place a detailed plan for information management, and the ability to track and

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report results to the Department upon request. The program must have mechanisms to determine under-utilization as well as over-utilization. The MCE is required to provide claim level detail data of all health care encounters and services provided or reimbursed by the Plan, including health care encounters and services provided by subcontracted Providers and approved out-of-plan health care encounters and services. All data shall be provided monthly via an electronic medium and format specified by the Department. These data shall be received within 90 days after the last day of the month that the service was provided.

11) Resource Management

- A) The resource management component of the quality assurance function is designed to ensure the appropriate provision and utilization of care in a continuous quality improvement environment.
- B) Each MCE shall have in place the ability to track and report encounter data by each Provider, including hospital days, prescription drugs, referrals and ancillary services.
- C) Each MCE shall have a process for analyzing the data described in subsection (b)(11)(B) to assess the overall efficiency of the MCE and for making changes accordingly.
- D) Each MCE shall have a written plan in place that details how Provider profiling shall be accomplished. The written plan must include a provision for identifying problems by individual physician as well as aggregated information on clinical problems (for example, over-utilization/prescription of certain drugs or procedures).

Section 142.710 Avoidance of Conflict of Interest

In the conduct of quality assurance activities pursuant to Section 142.700, no individual shall participate in a medical quality assurance review when such individual has one or more of the following:

- a) Admitting or clinical privileges with the Provider that is being reviewed; or
- b) A fiduciary relationship with the Provider that is being reviewed; or
- c) An established referral pattern to the Provider that is being reviewed; or
- d) A contract with the subject Provider, or is in the process of negotiating a contract for services with the Provider that is being reviewed; or
- e) Any other relationship with the Provider that is being reviewed that might reasonably affect the objectivity of the reviewer; or
- f) Any economic relationship with the Provider being reviewed.

Section 142.720 Enrollee Grievance and Appeals Process

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a) Every MCE shall submit for the Department's approval, and thereafter maintain, a grievance procedure for the resolution of Enrollee grievances concerning the provision of health care services or other matters concerning operation of the MCE. Each MCE shall:

- 1) Submit to the Department for prior approval any proposed changes to the grievance procedure by which Enrollee grievances shall be filed and reviewed;
- 2) Maintain records of each grievance filed with the MCE until the grievance is resolved, and maintain for a period of at least five years the following:
 - A) A copy of the grievance and the date of its filing,
 - B) The date and outcome of all consultations, hearings and hearing findings,
 - C) The date and decisions of any appeal proceedings, and
 - D) The date, proceedings and decisions of any litigation.

b) Every MCE shall have a grievance committee with at least 50 percent representation by beneficiaries. It shall have the authority to hear, resolve, or, as appropriate, refer to its QAP, by majority vote, grievances submitted to it as provided in subsection (a) above. A representative of the Department may attend and observe grievance committee meetings.

1) The grievance committee shall upon identifying any grievance which alleges or indicates quality issues or possible professional liability, commonly known as "medical malpractice", refer the grievance to the peer review committee.

2) The committee is not empowered to resolve or take action on any grievances which are in conflict with written policies of the MCE's governing body, but the committee may hear such grievances for the purpose of providing input to the governing body.

3) The grievance committee shall meet at the main office of the MCE, or such other office designated by the MCE if the main office is not within 50 miles of the grievant's home address. Consideration shall be given to the Enrollee's request pertaining to the time and date of such meeting. The Enrollee shall have the right to be represented by a designated representative of his or her choice. Where the Enrollee chooses to be present and does not speak English or has a hearing impairment, the MCE must provide interpreter services. Interpretive services for a hearing impaired Enrollee shall be in accordance with the accessibility standards described in Section 142.200(b)(14).

c) The grievance procedures must be fully and clearly communicated to all Enrollees and information concerning such procedures shall be readily available to the Enrollee. A toll-free telephone line and a toll-free TTY telephone line shall be made available as a way to initiate grievances.

d) Every MCE shall have procedures for resolving grievances informally. Such procedures do not require review of the grievance by the grievance committee, but a log, file, or other similar records must be

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maintained to identify the general nature of such grievances. Resolution of such grievances shall not preclude the Enrollee's right to a review by the grievance committee.

e) The MCE shall institute procedures which would require resolution of grievances within 60 days from the date the grievance is received by the MCE. This period may be extended for 30 days in the event of a delay in obtaining the documents or records necessary for the resolution of the grievance. All requests for documents or records necessary for the resolution of the grievance shall be maintained in the MCE's grievance file.

f) The procedure shall provide for a written acknowledgment of the grievance within ten business days after its receipt by the MCE.

g) The Enrollee shall be notified at the time of the hearing of the name and affiliation of those grievance committee members who are representatives of the MCE.

h) The MCE shall institute procedures whereby any documentation furnished to the members of the grievance committee shall also be made available to the Enrollee not less than five days prior to the hearing of his or her grievance. The MCE shall not present any evidence without the Enrollee having been given the opportunity to be present.

i) Notification in writing of the decision of the grievance committee shall be mailed to the Enrollee within five business days after the decision.

j) The MCE shall insure that both English and Spanish and large print and braille or audiotape versions of grievance materials are developed, subject to Department approval, and made available to Enrollees.

k) A monthly complaint and grievance report shall be submitted to the Department in accordance with Section 142.538 of this Part.

Section 142.730 Provider Grievance Procedure

a) Each MCE shall establish and maintain a grievance procedure to handle subcontractor Provider of health care services complaints, including, but not limited to, disputes concerning reimbursement for services to Enrollees, access to other facilities within the MCE's network, application of utilization review and quality assurance standards by the MCE, and peer review decisions or outcomes. This grievance procedure shall not apply to providers who are employees of the MCE. Every MCE shall submit this grievance procedure to the Department for approval upon signing of their agreement to furnish managed care services. Each MCE shall:

1) Submit to the Department, in a timely manner, any proposed amendments to their grievance procedure during the term of the agreement for furnishing managed care services.

2) If requested by the Department, state the reasons for the proposed amendments.

3) Acknowledge that any amendment to the grievance procedure shall be subject to approval by the Department prior to implementation.

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- c) The grievance procedure shall include, but is not limited to, the following requirements:
- 1) A specific location where all complaints shall be submitted by the grievant.
 - 2) All grievances must be in writing and shall describe the specific form and content for each grievance.
 - 3) A preliminary informal complaint resolution process to allow the Provider and MCE to resolve the dispute. This informal procedure should be staffed by one impartial physician licensed to practice medicine in all its branches and two representatives of the MCE. If the dispute is not resolved during this informal procedure, the dispute shall move to the formal grievance level.
 - 4) A Department representative shall be allowed to attend and observe formal grievance proceedings.
 - 5) A formal grievance committee shall be established to hear, resolve, or otherwise render a decision on the dispute. Each grievance committee shall include a physician licensed to practice medicine in all its branches.
 - 6) All decisions of the grievance committee shall be made in writing, by the committee, with sufficient reasons to convey to the grievant the basis for the decision. Copies of the decision shall be forwarded to the MCE, the grievant, and the Department. The Department's copy shall have a copy of the original grievance attached to it as well as any other relevant documents considered by the committee in rendering its decision.
 - 7) If the decision requires implementation by either the grievant or the MCE, such implementation shall be performed as prescribed under the MCE's rules, regulations, policies, terms of the applicable contract, or within a reasonable period of time.
- d) The grievance procedures must be written and sent to all subcontractor Providers.
- e) A monthly complaint and grievance report shall be submitted to the Department by each MCE's grievance committee.
- f) Grievance procedures established under this provision shall be designed to allow each subcontractor Provider a full and fair opportunity to have their grievance heard.

SUBPART G: SANCTIONS

Section 142.800 Sanctions

- a) The Department shall include, in every contract or agreement with an MCE or EMCP, a section which sets forth sanctions which the Department may impose on the MCE or EMCP for failure to comply with these rules or the terms and conditions of that contract or agreement. These sanctions may include, but are not limited to:
- 1) Monetary sanctions assessed by the Department against the MCE or EMCP.

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- 2) Freezing enrollment.
 - 3) Liquidated damages.
 - 4) Disenrollment of Enrollees.
 - 5) Withholding all payments or any portion thereof due the MCE or EMCP.
 - 6) Any other sanctions which are deemed appropriate by the Department.
- b) In addition to any sanctions, the Department shall always have the right to terminate the contract or agreement, with or without cause.

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Section 142. TABLE A ICD-9-CM Codes for Chronic and Acute Conditions of Childhood

Category	ICD-9-CM Diagnosis Codes	Diagnostic Description
Infectious Disease	042	HIV infection
	054.3	Herpetic meningoencephalitis
Oncology	140-149.9	Malignant neoplasm of lip, oral cavity and pharynx
	150-159.9	Malignant neoplasm of digestive organs and peritoneum
	160-165.9	Malignant neoplasm of respiratory and intrathoracic organs
	170-176.9	Malignant neoplasm of bone, connective tissue, skin and breast
	179-189.9	Malignant neoplasm of genitourinary organs
	190-199.1	Malignant neoplasm of other and unspecified sites
	200-208.9	Malignant neoplasm of lymphatics and hematopoietic tissue
	211.7	Islet cell tumor
	225.0	Benign neoplasm of brain
	228.02	Hemangioma of intracranial structures
Endocrine	242.9	Thyrotoxicosis without mention of goiter or other causes
	250	Diabetes mellitus
	252.0	Hyperparathyroidism
	252.1	Hypoparathyroidism
	253-253.9	Disorders of the pituitary and its hypothalamic control
	255-255.2	Disorders of adrenal glands
	258	Polyglandular dysfunction and related disorders
	270.0	Disturbances of amino acid transport
	270.1	Phenylketonuria
	271.0	Glycogenosis
	271.1	Galactosemia
	272	Disorders of lipid metabolism
	275.4	Disorders of calcium metabolism
	277.5	Mucopolysaccharidosis
	277.0	Cystic fibrosis
	279.1	Deficiency of cell-mediated immunity

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Category	ICD-9-CM Diagnosis Codes	Diagnostic Description
	279.2	Combined immunity deficiency
	282.6	Sickle-cell anemia
	284	Aplastic anemia
	286	Coagulation defects
	288.0	Agranulocytosis
	288.1	Functional disorders of polymorphonuclear neutrophils
	288.2	Genetic anomalies of leukocytes
	299.0	Infantile autism
	307.1	Anorexia nervosa
	324	Intracranial abscess
	325	Phlebitis and thrombophlebitis of intracranial venous sinuses
	330	Cerebral degenerations usually manifest in childhood
	331.4	Obstructive hydrocephalus
	331.81	Reye's Syndrome
	334.0	Friedreich's ataxia
	334.2	Primary cerebellar degeneration
	334.8	Other spinocerebellar diseases
	335	Anterior horn cell disease
	340-341.1	Multiple sclerosis and other demyelinating diagnoses of the central nervous system
	343.2	Infantile cerebral palsy, quadriplegic
	344.0	Quadriplegia and quadripareisis
	344.8	Other specified paralytic syndromes
	348.1	Anoxic brain damage
	357.1	Polyneuropathy in collagen vascular disease
	358.0	Myasthenia gravis
	359	Muscular dystrophies and other myopathies
	393-398.9	Chronic rheumatic heart disease
	414	Other forms of chronic ischemic heart disease
	416	Chronic pulmonary heart disease
	425	Cardiomyopathy
	428	Heart failure
Circulatory		

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<u>Category</u>	<u>ICD-9-CM Diagnosis Codes</u>	<u>Diagnostic Description</u>	<u>Category</u>
Respiratory	437.5	Moyamoya disease	Congenital
	441	Aortic aneurysm	
	516.3	Idiopathic fibrosing alveolitis	
	518.5	Pulmonary insufficiency following trauma and surgery	
Gastroenterology	518.81	Respiratory failure	Congenital
	571	Chronic liver disease and cirrhosis	
	577.1	Chronic pancreatitis	
	582	Chronic glomerulonephritis	
Nephrology	585	Chronic renal failure	Congenital
	588.0	Renal osteodystrophy	
Musculo-Skeletal	710	Diffuse diseases of connective tissues	Congenital
	714	Rheumatoid arthritis and other inflammatory polyarthropathies	
	721.1	Cervical spondylosis and myelopathy	
	721.4	Thoracic or lumbar spondylosis with myelopathy	
	721.5	Kissing spine	
	721.7	Traumatic spondylopathy	
	721.91	Spondylopathy of unspecified site, with myelopathy	
	722.7	Intervertebral disc disorder with myelopathy	
	733.8	Malunion and nonunion of fracture	
	740.1	Craniorachischisis	
	741.0	Spina bifida, with hydrocephalus	
	742.0	Encephalocele	
	742.1	Microcephalus	
	742.2	Reduction of deformities of brain	
Congenital Anomalies	742.4	Other specified anomalies of brain	Injury and Poisoning
	745.0	Common truncus	
	745.1	Transposition of great vessels	
	745.2	Tetralogy of Fallot	
	745.3	Common ventricle	
	745.6	Endocardial cushion defects	
	745.7	Cor biloculare	

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<u>ICD-9-CM Diagnosis Codes</u>	<u>Diagnostic Description</u>	<u>Category</u>
746.01	Pulmonary valve atresia, congenital	Congenital
746.02	Pulmonary valve stenosis, congenital	
746.1	Tricuspid atresia and stenosis, congenital	
746.2	Ebstein's anomaly	
746.3	Congenital stenosis of aortic valve	Congenital
746.4	Congenital insufficiency of aortic valve	
746.5	Congenital mitral stenosis	
746.6	Congenital mitral insufficiency	
746.7	Hypoplastic left heart syndrome	Congenital
746.81	Subaortic stenosis	
746.84	Obstructive anomalies of heart, not elsewhere classified	
747.11	Interruption of aortic arch	
747.22	Atresia and stenosis of aorta	Congenital
747.3	Anomalies of pulmonary artery	
750.3	Tracheoesophageal fistula, esophageal atresia and stenosis	
752.7	Indeterminate sex and pseudohermaphroditism	
756.5	Osteodystrophies	Congenital
758.1	Patau's syndrome	
758.2	Edward's syndrome	
758.3	Autosomal deletion syndromes	
759.5	Tuberous sclerosis	Congenital
759.6	Other hamartoses, not elsewhere classified	
806	Fracture of vertebral column with spinal cord injury	
854.1	Intracranial injury of other and unspecified nature, with open intracranial wound	
941.3	Burns	Injury and Poisoning
942.3-942.5	Burns	
943.3-943.5	Burns	
944.3-944.5	Burns	
945.3-945.5	Burns	Injury and Poisoning
946.3-946.5	Burns	
947	Burns	
948.2-948.9	Burns	

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<u>Category</u>	<u>ICD-9-CM Diagnosis Codes</u>	<u>Diagnostic Description</u>
	949.3-949.5	Burns
	952	Spinal cord injury without evidence of spinal bone injury
	953.8	Injury to nerve roots and spinal plexus, multiple sites
	996.8	Complications of transplanted organ
	V42	Organ or tissue replaced by transplant
	V46.1	Other dependence on machines, respirator V codes for follow-up of any of the above conditions

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Section 142. Table B Mental Illness Diagnoses

<u>DSM-IV Code</u>	<u>ICD-9-CM Diagnosis Codes</u>	<u>Diagnostic Description</u>
295.00	295.00	Schizophrenic disorders, simple type, unspecified
	295.01	Schizophrenic disorders, simple type, subchronic
	295.02	Schizophrenic disorders, simple type, chronic
	295.03	Schizophrenic disorders, simple type, subchronic with acute exacerbation
	295.04	Schizophrenic disorders, simple type, chronic with acute exacerbation
295.10	295.10	Schizophrenic disorders, disorganized type, unspecified
295.11	295.11	Schizophrenic disorders, disorganized type, subchronic
295.12	295.12	Schizophrenia, disorganized type, chronic
295.13	295.13	Schizophrenia, disorganized type, subchronic with acute exacerbation
295.14	295.14	Schizophrenia, disorganized type, chronic with acute exacerbation
295.20	295.20	Schizophrenia, catatonic type, unspecified
295.21	295.21	Schizophrenia, catatonic type, subchronic
295.22	295.22	Schizophrenia, catatonic type, chronic
295.23	295.23	Schizophrenia, catatonic type, subchronic with acute exacerbation
295.24	295.24	Schizophrenia, catatonic type, chronic with acute exacerbation
295.30	295.30	Schizophrenia, paranoid type, unspecified
295.31	295.31	Schizophrenia, paranoid type, subchronic
295.32	295.32	Schizophrenia, paranoid type, chronic
295.33	295.33	Schizophrenia, paranoid type, subchronic with acute exacerbation
295.34	295.34	Schizophrenia, paranoid type, chronic with acute exacerbation
295.40	295.40	Acute schizophrenic episode, unspecified
295.41	295.41	Acute schizophrenic episode, subchronic
295.42	295.42	Acute schizophrenic episode, chronic
295.43	295.43	Acute schizophrenic episode, subchronic with acute exacerbation
295.44	295.44	Acute schizophrenic episode, chronic with acute exacerbation
295.53	295.53	Latent schizophrenia, subchronic with acute exacerbation

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ICD-9-CM
Diagnosis
Codes

DSM-IV
Code

Diagnostic Description

295.54	Latent schizophrenia, chronic with acute exacerbation	
295.60	Residual schizophrenia, unspecified	
295.61	Residual schizophrenia, subchronic	
295.62	Residual schizophrenia, chronic	
295.63	Residual schizophrenia, subchronic with acute exacerbation	
295.64	Residual schizophrenia, chronic with acute exacerbation	
295.70	Schizo-affective type, unspecified	
295.71	Schizo-affective type, subchronic	
295.72	Schizo-affective type, chronic	
295.73	Schizo-affective type, subchronic with acute exacerbation	
295.74	Schizo-affective type, chronic with acute exacerbation	
295.80	Other specified types of schizophrenia, unspecified	
295.81	Other specified types of schizophrenia, subchronic	
295.82	Other specified types of schizophrenia, chronic	
295.83	Other specified types of schizophrenia, subchronic with acute exacerbation	
295.84	Other specified types of schizophrenia, chronic with acute exacerbation	
295.90	Unspecified schizophrenia, unspecified	
295.91	Unspecified schizophrenia, subchronic	
295.92	Unspecified schizophrenia, chronic	
295.93	Unspecified schizophrenia, subchronic with acute exacerbation	
295.94	Unspecified schizophrenia, chronic with acute exacerbation	
296.00	Manic disorder, single episode, unspecified	
296.02	Manic disorder, single episode, moderate	
296.03	Manic disorder, single episode, severe, without mention of psychotic behavior	
296.04	Manic disorder, single episode, severe, specified as with psychotic behavior	
296.05	Manic disorder, single episode, in partial or unspecified remission	
296.10	Manic disorder, recurrent episode, unspecified	
296.12	Manic disorder, recurrent episode, moderate	
296.13	Manic disorder, recurrent episode, severe,	

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ICD-9-CM
Diagnosis
Codes

DSM-IV
Code

Diagnostic Description

296.14	without mention of psychotic behavior	
296.15	Manic disorder, recurrent episode, severe, specified as with psychotic behavior	
296.20	Manic disorder, recurrent episode, in partial or unspecified remission	
296.22	Major depression, single episode, unspecified	
296.23	Major depression, single episode, moderate	
296.24	Major depression, single episode, severe, without mention of psychotic behavior	
296.25	Major depression, single episode, severe, specified as with psychotic behavior	
296.30	Major depression, recurrent, unspecified	
296.32	Major depression, recurrent, moderate	
296.33	Major depression, recurrent, severe without mention of psychotic behavior	
296.34	Major depression, recurrent, severe, specified as with psychotic behavior	
296.35	Major depression, recurrent, in partial or unspecified remission	
296.40	Bipolar affective disorder, manic, unspecified	
296.42	Bipolar affective disorder, manic, moderate	
296.43	Bipolar affective disorder, manic, severe, without mention of psychotic behavior	
296.44	Bipolar affective disorder, manic, severe, specified as with psychotic behavior	
296.45	Bipolar affective disorder, manic, in partial or unspecified remission	
296.50	Bipolar affective disorder, depressed, unspecified	
296.52	Bipolar affective disorder, depressed, moderate	
296.53	Bipolar affective disorder, depressed, severe, without mention of psychotic behavior	
296.54	Bipolar affective disorder, depressed, severe, specified as with psychotic behavior	
296.55	Bipolar affective disorder, depressed, in partial or unspecified remission	
296.60	Bipolar affective disorder, mixed,	

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DSM-IV Code	ICD-9-CM Diagnosis Codes	Diagnostic Description
296.62	296.62	unspecified
296.63	296.63	Bipolar affective disorder, mixed, moderate
296.64	296.64	Bipolar affective disorder, mixed, severe, without mention of psychotic behavior
296.65	296.65	Bipolar affective disorder, mixed, severe, specified as with psychotic behavior
296.65	296.65	Bipolar affective disorder, mixed, in partial remission
296.70	296.70	Bipolar affective disorder, not otherwise specified
296.72	296.72	Bipolar affective disorder, not otherwise specified, moderate
296.73	296.73	Bipolar affective disorder, not otherwise specified, severe, without mention of psychotic behavior
296.74	296.74	Bipolar affective disorder, not otherwise specified, severe, specified as with psychotic behavior
296.75	296.75	Bipolar affective disorder, not otherwise specified, in partial or unspecified remission
296.80	296.80	Manic-depressive psychosis, unspecified
296.81	296.81	Atypical manic disorder
296.82	296.82	Atypical depressive disorder
296.89	296.89	Other manic-depressive psychosis, mixed-type
296.99	296.99	Affective psychosis, other specified (mood swings)
297.1	297.1	Paranoia
297.3	297.3	Shared paranoid disorder
297.8	297.8	Other specified paranoid states
297.9	297.9	Unspecified paranoid state
298.0	298.0	Depressive type psychosis
298.1	298.1	Excitation type psychosis
298.2	298.2	Reactive confusion
298.3	298.3	Acute paranoid reaction
298.4	298.4	Psychogenic paranoid psychosis
298.8	298.8	Other and unspecified reactive psychosis
298.9	298.9	Unspecified psychosis
299.00	299.00	Infantile autism, current or active
299.01	299.01	Infantile autism, residual
299.10	299.10	Disintegrative psychosis, residual state
299.11	299.11	Disintegrative psychosis, active state

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DSM-IV Code	ICD-9-CM Diagnosis Codes	Diagnostic Description
299.80	299.80	Other specified early childhood psychoses, current or active state
299.81	299.81	Other specified early childhood psychoses, residual state
299.90	299.90	Unspecified psychoses with origin specific to childhood, current or active state
299.91	299.91	Unspecified psychoses with origin specific to childhood, residual state
300.00	300.00	Anxiety state, unspecified
300.01	300.01	Panic disorder
300.02	300.02	Generalized anxiety disorder
300.12	300.12	Psychogenic amnesia
300.13	300.13	Psychogenic fugue
300.14	300.14	Multiple personality
300.15	300.15	Dissociative disorder or reaction, unspecified
300.16	300.16	Factitious illness with psychological symptoms
300.21	300.21	Agoraphobia with panic attacks
300.22	300.22	Agoraphobia, without mention of panic attacks
300.23	300.23	Social phobia
300.29	300.29	Other isolated or simple phobias
300.30	300.30	Obsessive compulsive disorders
300.6	300.6	Depersonalization syndrome
301.0	301.0	Paranoid personality disorder
301.13	301.13	Cyclothymic disorder
301.20	301.20	Schizoid personality disorder, unspecified
301.21	301.21	Introverted personality
301.22	301.22	Schizotypal personality
301.4	301.4	Compulsive personality disorder
301.50	301.50	Histrionic personality disorder, unspecified
301.51	301.51	Chronic factitious illness with physical symptoms
301.59	301.59	Other histrionic personality disorder
301.60	301.60	Dependent personality disorder
301.82	301.82	Avoidant personality disorder
301.83	301.83	Borderline personality disorder
301.90	301.90	Unspecified personality disorder
302.2	302.2	Pedophilia
302.3	302.3	Transvestism
302.4	302.4	Exhibitionism
302.81	302.81	Fetishism
302.82	302.82	Voyeurism
302.83	302.83	Sexual masochism
302.84	302.84	Sexual sadism

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DSM-IV Code	ICD-9-CM Diagnosis Codes	Diagnostic Description
302.89	302.89	Other specified psychosexual disorders
307.10	307.1	Anorexia nervosa
307.20	307.20	Tic disorder, unspecified
307.21	307.21	Transient tic disorder of childhood
307.22	307.22	Chronic motor tic disorder
307.23	307.23	Gilles de la Tourette's syndrome
307.50	307.50	Eating disorder, unspecified
307.51	307.51	Bulimia
308.30	308.3	Other acute reactions to stress
309.21	309.21	Separation anxiety disorder
309.81	309.81	Prolonged posttraumatic stress disorder
311.00	311.00	Depressive disorder, not elsewhere classified
312.34	312.34	Intermittent explosive disorder
312.35	312.35	Isolated explosive disorder
312.39	312.39	Other disorders of impulse control, not elsewhere classified
312.80	312.8	Other specified disturbances of conduct, not elsewhere classified
312.90	312.9	Unspecified disturbance of conduct
313.23	313.23	Elective mutism
313.81	313.81	Oppositional disorder
313.89	313.89	Other or mixed emotional disturbances of childhood or adolescence
314.00	314.00	Attention-deficit disorder, without hyperactivity
314.01	314.01	Attention-deficit disorder with hyperactivity
314.90	314.9	Unspecified hyperkinetic syndrome

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- 1) Heading of the Part: Electronic Filing of Illinois Individual Income Tax Returns
- 2) Code Citation: 86 Ill. Adm. Code 105
- 3) Section Numbers: Adopted Action:
 105.100 Amendment
 105.110 Amendment
 105.120 Amendment
 105.210 Amendment
 105.230 Amendment
 105.310 Amendment
 105.400 Amendment
 105.410 Amendment
 105.420 Amendment
 105.430 Amendment
 105.450 Amendment
 105.500 Amendment
 105.510 Amendment
 105.515 New Section
 105.600 Amendment
 105.610 New Section
 105.620 New Section
 105.700 Amendment
 105.810 Amendment
 105.900 Amendment
- 4) Statutory Authority: 20 ILCS 2505/39c-1a
- 5) Effective Date of Amendment(s): February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: November 15, 1996, 20 Ill. Reg. 14745
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: In the Authority Note, added "and Section 39c-1a of the Civil Administrative Code of Illinois [20 ILCS 2505/39c-1a]".
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

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13) Will this amendment replace an emergency amendment currently in effect?
No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Amendment(s): This rulemaking is an update of the Department's rules for electronic filing which sets forth new rules concerning direct deposit of income tax refunds into the accounts of taxpayers. This new enhancement of the electronic filing system will allow the Department to increase the speed with which refunds are returned to taxpayers. The rulemaking also contains a number of nonsubstantive changes such as corrections of typographical errors and updating of mailing addresses.

16) Information and questions regarding this adopted amendment shall be directed to:

Keith Staats
Associate Chief Counsel - Income Tax
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, IL 62794
(217) 782-7055

The full text of the Adopted Amendment begins on the next page:

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 105

ELECTRONIC FILING OF ILLINOIS INDIVIDUAL INCOME TAX RETURNS

SUBPART A: ELECTRONIC RETURNS

Section	Composition of an Electronic Return
105.100	Exclusions from Electronic Filing
105.110	Where to Send Electronic Returns
105.120	

SUBPART B: ELECTRONIC FILING PARTICIPANTS

Section	
105.200	Categories of Electronic Filers
105.210	Types of Electronic Filers
105.220	Ways to Participate in Electronic Filing
105.230	Responsibilities of Electronic Filers

SUBPART C: APPLICATIONS

Section	
105.300	General Information
105.310	Where to Apply
105.320	Who Must Apply
105.330	Who Does Not Need to Apply
105.340	EFIN and ETIN Assignments

SUBPART D: ACCEPTANCE PROCESS

Section	
105.400	General Information
105.410	Suitability Checks
105.420	Who Must Test
105.430	What Must Be Tested
105.440	Where to Test
105.450	How to Test
105.460	When to Test
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SUBPART E: IL-8453 ILLINOIS INDIVIDUAL INCOME TAX
ELECTRONIC FILING DECLARATION

Section	
105.500	Purpose
105.510	Instructions

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105.515 IL-8453 Retaining Program
105.520 Corrections

SUBPART F: BALANCE DUE RETURNS AND DIRECT DEPOSIT OF REFUNDS

Section

105.600 Balance Due General Information
105.610 Direct Deposit General Information
105.620 Direct Deposit Responsibilities

SUBPART G: INFORMATION ELECTRONIC FILERS MUST PROVIDE TO THE TAXPAYER

Section

105.700 Information and Material to be Provided to the Taxpayer

SUBPART H: TRANSMISSION PROCEDURES

Section

105.800 Overview of Transmission Procedures
105.810 Acknowledgement of Electronic Returns

SUBPART I: ADVERTISING STANDARDS

Section

105.900 Advertising Restrictions
105.910 Media Communications
105.920 Endorsement

SUBPART J: MONITORING AND SUSPENSION

Section

105.1000 Monitoring
105.1010 Suspension

AUTHORITY: Implementing and authorized by the Illinois Income Tax Act [35 ILCS 5] and Section 39c-1a of the Civil Administrative Code of Illinois [20 ILCS 2505/39c-1a].

SOURCE: Emergency rules adopted at 17 Ill. Reg. 445, effective January 1, 1993, for a maximum of 150 days; adopted at 17 Ill. Reg. 7031, effective May 3, 1993; amended at 17 Ill. Reg. 18118, effective October 4, 1993; emergency amendment at 19 Ill. Reg. 1139, effective January 18, 1995, for a maximum of 150 days; emergency expired June 16, 1995; amended at 21 Ill. Reg. 2362 -, effective FEB 03 1997.

SUBPART A: ELECTRONIC RETURNS

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Section 105.100 Composition of an Electronic Return

a) An electronic return consists of data transmitted to the Department electronically, and paper documents that contain information which cannot be electronically transmitted or are requested for verification; for example, taxpayer signatures and Forms W-2. In total, electronic returns contain the same information as traditionally filed paper documents.

b) The following forms and schedules can be transmitted electronically:

- 1) IL-1040 Illinois Individual Income Tax Return,
 - 2) Schedule NR Nonresident and Part-Year Resident Computation of Illinois Tax (Individual),
 - 3) W-2 Wage and Tax Statement,
 - 4) W-2G Statement for Certain Gambling Winnings,
 - 5) 1099-R Total Distributions from Profit-sharing, Retirement Plans, Individual Retirement Arrangements, Insurance Contracts, Etc.,
 - 6) US 1040 or 1040A U.S. Individual Income Tax Return, and
 - 7) US Schedule B or Schedule 1 Interest and Dividend Income.
- c) The non-electronic portion of the return consists of the following:
- 1) Form IL-8453, Illinois Individual Income Tax Electronic Filing Declaration; required for all electronic returns (see Subpart E of this Part),
 - 2) Copy 2 of Forms W-2, W-2G or 1099-R that would normally be attached to the front of a paper return. These must be attached to the front of Form IL-8453,
- NOTE: Substitute wage and tax statement forms (U.S. 4852 or IL-4852) cannot be submitted in lieu of Forms W-2, W-2G, and 1099-R.
- 3) Required support of IL-1040 line entries for other additions or military pay subtraction, and other information documents that are voluntarily being included with the return by the taxpayer as supporting material. These documents must be attached to the back of Form IL-8453, and
 - 4) A copy of the paper tax return signed by the paid preparer when the electronic filer transmits a return that was prepared by another tax preparer. This must be attached to the back of the IL-8453.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1997)

Section 105.110 Exclusions from Electronic Filing

The following types of returns are excluded from electronic filing:

- a) Returns from individuals or firms who have not been accepted as electronic return originators or transmitters; (see **See** Section 105.200) i
- b) Returns requiring forms or schedules not listed in Section 105.100(b).

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These exclusions can be identified by amounts on the following IL-1040 return lines:

- 1) Other Subtractions
- 2) Credit for Taxes Paid to Other States
- 3) Tax Credits from Schedule 1299-C
- 4) IL-2210 Penalty;
- c) Returns that include Internal Revenue Service (IRS) or Illinois forms 4852, or any other substitute wage and tax statement used to verify withholding;
- d) Returns that require attachments other than IRS Form 1040 or 1040A, Page 1, to verify IL-1040 subtractions for federally taxed retirement and Social Security;
- e) Returns that require attachments other than IRS Schedule B or Schedule 1, to verify IL-1040 subtractions for U.S. government obligations;
- f) Decedent returns, including joint returns filed by surviving spouses;
- g) Fiscal year returns;
- h) Prior year returns;
- i) Amended or corrected returns;
- j) Returns with dollars and cents entries (only whole dollar amounts will be accepted); and
- k) Returns containing more than:
 - 1) 1 Schedule NR
 - 2) 20 W-2s
 - 3) 30 W-2Gs
 - 4) 10 1099-Rs
 - 5) 30 statements.

(Source: Amended at 21 Ill. Reg. 2362, effective 1-1-1997)

Section 105.120 Where to Send Electronic Returns

- a) Electronic IL-1040 returns will be transmitted to the communications processor at the Illinois Department of Revenue in Springfield, Illinois. The telephone number will be provided to accepted transmitters.
- b) Forms IL-8453 and attachments for accepted electronic IL-1040 returns must be mailed to:

Regular Mail
 Illinois Dept. of Revenue
 Exception Processing Division
 P.O. Box 19479
 Springfield IL 62794-9479

or
 Overnight Mail
 Illinois Dept. of Revenue
 Exceptions ~~Exception~~ Processing
 Division Mail Code 2-221
 101 W. Jefferson St.
 Springfield IL 627026294

(Source: Amended at 21 Ill. Reg. 2362, effective 1-1-1997)

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SUBPART B: ELECTRONIC FILING PARTICIPANTS

Section 105.210 Types of Electronic Filers

- a) An electronic filer is a collective term referencing all participants in the program. An electronic filer can be included in one or more of the categories defined in Section 105.200. The categories are specific to the function(s) performed.
- b) An electronic filer can be one or more of the following business types:
 - 1) Preparer - prepares the return and computes the tax based on the information that the taxpayer provides;
 - 2) Software Firm - writes software that it uses or sells for the purpose of formatting electronic returns and/or transmitting them directly to the Department's Department communications processor;
 - 3) Service Bureau - takes tax returns from accepted electronic filers and formats electronic returns, but does not collect returns directly from taxpayers or transmit returns directly to the Department's Department communications processor;
 - 4) Transmitter - provides services for direct transmission to the Department's communications processor; and
 - 5) Electronic Return Collector - takes prepared returns directly from taxpayers for the purpose of having electronic tax returns produced. An electronic return collector may be a for-profit or a not-for-profit organization in the private or public sector that chooses to provide electronic filing services. Examples include employers providing the service to their employees or a university providing electronic return collection services to the student body.

(Source: Amended at 21 Ill. Reg. 2362, effective 1-1-1997)

Section 105.230 Responsibilities of Electronic Filers

- a) All electronic filers must comply with the requirements and specifications set forth in this Part and, if applicable, IL-1346 (See Section 105.400(c)(2)).
- b) Electronic filers can only accept returns for electronic filing directly from the taxpayer, or from other electronic filers who have been accepted into the Illinois electronic filing program.
- c) Electronic filers who collect prepared tax returns for electronic filing (electronic return collectors) must treat each such collection or drop-off point (physical location) for electronic returns as a separate entity that must submit an application and be accepted as an electronic filer. Each entity will be treated as an electronic return originator and have the same responsibilities.
- d) Electronic filers who charge a fee for the electronic transmission of

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the return must not base the fee on a percentage of the refund amount. Electronic filers must not charge a separate fee for direct deposit.

e) Electronic filers must not stockpile returns for electronic transmission prior to receiving official acceptance into the program or at any time while participating in the program.

f) Electronic filers must submit a revised application to the Department to update the information contained on their most current application (Form IL-8633) or information update form (EFS-15) when there are changes such as:

- 1) the firm name or doing business as (DBA) name(s),
- 2) any address, telephone or contact representative,
- 3) the electronic filing functions performed, or
- 4) the organization's ownership.

g) Electronic filers must ensure electronic returns are filed in a timely manner. The receipt date of the electronic transmission will constitute the receipt date of the return if it is acknowledged as accepted by the Department. Any return acknowledged as rejected by the Department will be considered not filed. In order to be timely filed, a return must be received by April 15. Any late-filed electronic returns transmitted to the Department must be received prior to midnight on April 22. The Department's communications processor will not accept return transmissions after that time. However, the communications processor will be available for the transmitter to retrieve acknowledgement files through April 29. Any return filed on April 22 and not acknowledged as accepted must be filed on paper.

h) Electronic filers must immediately contact the Office of Electronic Filing if an acknowledgement has not been available after 36 hours from the transmission of the return.

i) Electronic filers cannot recall or intercept electronically filed IL-1040 returns after the returns have been acknowledged as accepted. If the electronic filer or the taxpayer wishes to change any entries after a return has been accepted, a paper amended return, Form IL-1040-X, must be filed with the Department. (Also see 86 Ill. Adm. Code 100.9400(f)(3). 100-9400(f)(3))

j) Electronic filers who function as electronic return originators as defined in Section 105.200(a) must:

- 1) Comply with the procedures for securing Form IL-8453, Taxpayer Declaration, as outlined in Subpart E of this Part;
- 2) Input and transmit the taxpayer's address from Forms W-2, W-2G, and 1099-R (or any other transmitted form) if the address is different than the taxpayer's address in the electronic portion of the IL-1040;

3) 2) Furnish copies of the signed Form IL-8453 and non-electronic portion of the electronic IL-1040 returns to the taxpayers and advise them of the information in Subpart G of this Part;

4) 3) Furnish every taxpayer that has a balance due return with Form 1098-E, Payment Voucher;

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5) 4) Inform every taxpayer that has a balance due return that it is the responsibility of every taxpayer to make full and timely payment of any tax that is due. Failure to make full payment of any tax that is due on or before April 15 will result in the imposition of interest and penalties;

6) 5) Retain the following material until December 31 of the filing year, unless otherwise notified by the Department:

A) Copies of all the material furnished to the taxpayers;

B) A copy of the signed Form IL-8453 and Forms W-2, W-2G, and 1099-R;

C) 6) Copies of the electronically transmitted material as defined in Section 105.100(b). These copies may be retained on magnetic media; and

D) 7) The acknowledgement files received from the Department or from third-party transmitters. These files may be retained on magnetic media.

NOTE: Electronic return originators who are also paid preparers of the electronic tax return must retain materials as required by the Illinois Income Tax Act (ITTA.)

7) 6) Identify the paid preparer in the appropriate fields of the electronic IL-1040 return, and ensure the paid preparer's signature is included on (or with) the Form IL-8453.

k) Electronic filers who function as transmitters as defined in Section 105.200(b) must:

- 1) Transmit electronic IL-1040 returns and retrieve acknowledgement files in a timely manner. Acknowledgement files will normally be available within 24 hours after transmission. If the acknowledgement files are not retrieved within five days, the Department will contact the transmitter;

2) Match the acknowledgement files to the original transmission files. Returns acknowledged as accepted will be considered filed returns. Returns acknowledged as rejected must be corrected and re-transmitted, if possible. Returns that cannot be re-transmitted must be filed on paper form IL-1040;

3) Contact the Office of Electronic Filing for assistance if returns have been rejected after three attempts, or if acknowledgements are received for returns that were not in the original transmissions;

4) Ensure the security and confidentiality of all transmitted data;

5) Not use software that has a Department assigned production password built into the software;

6) 5) Follow the instructions provided in Subpart H of this Part, Transmission Procedures; and

7) 6) Retain copies of all the acknowledgement files received from the Department. These may be retained on magnetic media. This material should be retained until December 31 of the filing year unless notified otherwise by the Department.

1) Transmitters who provide transmission services to other electronic

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filers must also:

- 1) Accept electronic IL-1040 returns for transmission to the Department's Department communications processor only from electronic filers accepted in the Illinois program; and
- 2) Provide each of their clients with the acknowledgement files for their transmitted returns within 24 hours after receipt of the acknowledgements from the Department. Failure to comply could lead to suspension from the program (see Section 105.1010).
- m) Electronic filers who function as software developers as defined in Section 105.200(c) must:
 - 1) Correct software errors that cause electronic returns to be rejected. Correct these errors quickly to ensure the timely transmission of electronic returns;
 - 2) Expeditiously distribute corrections to all electronic filers utilizing these products; and
 - 3) Ensure that if their software products will be used for transmitting by multiple electronic filers at the same time, their software has the capability of combining returns from these electronic filers into one Department transmission file, taking into account the Declaration Control Number assignments and requirements specified in Section 105.510; and
 - 4) Not incorporate into its software a Department assigned production password.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1994)

SUBPART C: APPLICATIONS

Section 105.310 Where to Apply

Applications and update forms should be sent to:

Illinois Dept. of Revenue
Central Registration Division
P.O. Box 19030
Springfield IL 62794- 9030

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1994)

SUBPART D: ACCEPTANCE PROCESS

Section 105.400 General Information

- a) Acceptance to participate in the program will be granted to qualifying applicants by the Department. Applicants will be notified of acceptance or denial after processing of the application or update

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- form is completed (see Section 105.410).
- b) Acceptance of a software firm or transmitter also requires passing the Illinois Participant Acceptance Testing System (IPATS) (see Section 105.450).
 - c) Software developers and transmitters will be mailed the following booklets publications:
 - 1) Booklet Publication IL-1345, Illinois Department of Revenue Procedure for Electronic Filing of Individual Income Tax Returns;
 - 2) Booklet Publication IL-1346, Illinois Department of Revenue Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns; and
 - 3) Booklet Publication IL-1347, Illinois Department of Revenue Electronic Filing Test Package.
 - d) Applicants who function solely as electronic return originators will receive Booklet Publication IL-1345.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1994)

Section 105.410 Suitability Checks

- a) Suitability checks will be performed on all applicants.
- b) The Department will complete the suitability check as soon as possible. Until an applicant passes suitability, returns cannot be transmitted.
- c) If an applicant is denied, the Department will send a letter explaining the reasons for denial. If an applicant who was denied attempts to transmit returns, all returns will be rejected.
- d) Listed below are some reasons that an applicant may be denied acceptance into the program:
 - 1) Failure to pass the IRS suitability checks;
 - 2) Failure to file accurate and timely tax returns, both business and personal;
 - 3) Failure to pay any State of Illinois personal or business tax liability, penalty, or interest; and
 - 4) Material misrepresentation on any application.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1994)

Section 105.420 Who Must Test

- a) All software developers whose software formats tax returns, or transmits return information directly to the Department's Department communications processor, must pass the IPATS test. (See Section 105.450.)
- b) All electronic filers who transmit directly to the Department must successfully complete the IPATS test. Hardware and software

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differences may exist in their systems that could cause transmission problems. This also ensures that electronic filers purchasing accepted software are able to use it to transmit test returns prior to transmitting production returns.

- c) Applicants who function solely as electronic return originators and will not transmit directly to the Department do not need to test.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1999)

Section 105.430 What Must Be Tested

- a) The Department will provide the **Booklet Publication IL-1347**, Illinois Department of Revenue Electronic Filing Test Package, to all applicants who are required to test. The test package contains income tax situations which provide Illinois schedules, forms and IL-1040 information. All calculations and forms must be completed, formatted, and transmitted to the Department.

- b) Applicants must use this test package and must be tested on all forms and schedules. They must successfully complete two separate test transmissions of these forms before they are accepted into the program.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1999)

Section 105.450 How to Test

IPATS is a five-step process for software developers and transmitters:

- a) Step 1: Filers must contact the Office of Electronic Filing.
- b) Step 2: Filers must transmit the test returns from the IL-1347 test package using their electronic filing software.
- c) Step 3: When the transmitter has received acknowledgement files containing no rejected returns, contact the Office of Electronic Filing.
- d) Step 4: The Department will review these successful test transmissions and provide feedback to the contact person.
 - 1) The Department will notify transmitters if any additional errors are encountered.
 - 2) The transmitter, when not the software developer, must advise the software developer in order to have the software products corrected. Transmitters will re-transmit affected returns to the Department after software corrections are made.
 - 3) Transmitters who have multiple clients testing through them should expedite the distribution of software updates to avoid recurrence of the same problem or error.
- e) Step 5: The Department will notify filers when they have passed the IPATS test.

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(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1999)

**SUBPART E: IL-8453 ILLINOIS INDIVIDUAL INCOME TAX
ELECTRONIC FILING DECLARATION**

Section 105.500 Purpose

- a) Form IL-8453 is the signature portion of the return. It must be completed and signed by all appropriate parties before the return is transmitted electronically. Form IL-8453 serves the following purposes:

- 1) Authenticates the return;
 - 2) Serves as a transmittal for the associated non-electronic documents that will be stapled to the declaration and sent to the Department. Section 105.100(c) lists documents and forms to be attached to Form IL-8453;
 - 3) Authorizes the electronic return originator to file the return electronically on behalf of the taxpayer; **and**
 - 4) Provides the taxpayer's written authorization to have the refund directly deposited as designated on the form; **and**
 - 5) Authorizes the Department to inform the electronic return originator, or the transmitter, that the taxpayer's return has been accepted or rejected. When rejected, authorizes the Department to identify the reasons for rejection.
- b) Form IL-8453 does not serve as a power of attorney or as a substitute for the information required on the electronic tax return.
- c) Form IL-8453 cannot be used to submit forms or schedules which are not listed in Section 105.100. Returns requiring forms that are excluded from electronic filing must be filed on a paper Form IL-1040.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1999)

Section 105.510 Instructions

- a) Sequence of events and general information
- 1) An electronic return originator prepares the return, computes the tax based on the information the taxpayer provides, and accepts the return for the purpose of electronic filing; or collects prepared tax returns for the purpose of electronic filing.
 - 2) After the return has been prepared and before the return is transmitted electronically, the taxpayer must verify the information in the electronic portion of the return. In addition, the taxpayer must verify the information on Form IL-8453, including the routing transit and account numbers if direct deposit is authorized, and sign the Form IL-8453. Both signatures are required on a joint return. A file copy of the

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prepared return must be provided to the taxpayer at the time of the signature. The copy should be retained by the taxpayer, and not be forwarded to the Department.

- 3) Practitioners are prohibited from allowing taxpayers to sign a blank tax return. A blank Form IL-8453 is the same as a blank tax return; therefore, electronic return originators are also prohibited from allowing taxpayers to sign a blank IL-8453.

- 4) After Form IL-8453 has been completed and signed by the taxpayer, the electronic return originator, and preparer (if applicable), the transmitter will send the electronic portion of the return to the Department in accordance with the file specifications in the IL-1346.

- 5) By transmitting the electronic portion of the return, the electronic filer is confirming that the IL-8453 has been accurately completed and signed.

- 6) Electronic filers must mail IL-8453s within 24 hours after receipt of acknowledgment that the corresponding returns were accepted unless otherwise authorized by Section 105.515.

- 7) Beginning on the first day of the electronic filing season, and daily thereafter throughout the filing period, the electronic return originator will mail IL-8453s to the Department unless otherwise authorized by Section 105.515. The electronic return originator must include forms for all electronic returns that have been acknowledged as accepted by the Department.

- 8) If a return is acknowledged as rejected, the IL-8453 must be held until the return is successfully re-transmitted. If the return cannot be re-transmitted, the IL-8453 should be destroyed and any withholding forms should be retained to attach to a paper Form IL-1040.

- 9) Receipt of IL-8453s will be closely monitored by the Department. If an IL-8453 is missing 14 to 10 days after receipt of the electronic IL-1040 return, the electronic return originator will be contacted. If the electronic return originator does not provide the Department with a Form IL-8453 that includes the taxpayer's original signature and withholding forms within 10 days after the electronic return originator is contacted, the taxpayer will be notified.

NOTE: If excessive contacts with the ERO are required to obtain missing Forms IL-8453, the ERO may be subject to suspension from the Illinois electronic filing program.

- b) Completing and mailing Form IL-8453

- 1) The Declaration Control Number (DCN) is a 14-position serial number assigned to each electronic return. The DCN must be clearly printed or typed (one position per box) in the spaces provided at the top of each Form IL-8453. The DCN must match the DCN of the accepted electronic return.

- 2) If the taxpayer received a mailing label from the Department, affix it to the name and address area of Form IL-8453. Mark

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through any errors on the label and print the correct information on the label. Otherwise, type or print the taxpayer's name, address, and social security number in spaces provided on the form. The Form IL-8453 name, address, and Social Security number must be the same as the name, address, and Social Security number on the electronic IL-1040 return.

- 3) Tax Return Information must be completed. Enter only whole dollar amounts. These amounts must match the corresponding entries on the electronic IL-1040 return.

- 4) If the taxpayer authorizes to have the refund directly deposited, direct deposit of refund information must be completed. The direct deposit information on Form IL-8453 must be the same as the direct deposit information transmitted in the electronic IL-1040.

- 5) The Declaration and Signature of Taxpayer must contain the taxpayer's original signature(s). Electronic return originators must obtain the signature(s) from their clients prior to transmitting the electronic return to the Department. The electronic return originator will be contacted for missing taxpayer signatures. If an IL-8453 providing original taxpayer signature(s) is not received within 14 days after the electronic return originator is contacted, the taxpayer will be notified.

NOTE: If excessive contacts with the ERO are required, the ERO may be suspended from the program.

- 6) The Declaration and Signature of Electronic Return Originator and Signature of Paid Preparer must be completed and signed by the electronic return originator and the paid preparer. When the electronic return originator and the paid preparer are the same entity, the paid preparer box must also be checked. When the electronic return originator and the paid preparer are different, a copy of the IL-1040, signed by the preparer, must be attached to the IL-8453. A collector who is not the preparer of the return but collected the return for electronic filing (transmission) purposes must sign as the electronic return originator and date the declaration, enter the firm's name and address, enter the firm's FEIN, and provide the firm's telephone number. There is no requirement to provide a Social Security number in this case.

- 7) Forms W-2, W-2G, and 1099-R must be attached to the front of the IL-8453 (bottom left). The electronic return originator will be contacted if these forms are missing. If a replacement IL-8453 providing the withholding forms (originals or copies) is not received by the Department within 14 days after the electronic return originator is contacted, the taxpayer will be notified. IRS or Illinois forms 4852, or any other substitute wage and tax statement, cannot be attached to the IL-8453 (or submitted later) in lieu of Forms W-2, W-2G, or 1099-R. (See Section 105.110(c), Exclusions from Electronic Filing.)

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NOTE: If excessive contacts with the ERO are required to obtain missing withholding forms, the ERO may be subject to suspension from the Illinois electronic filing program.

87) The IL-8453s should be secured by paper clip, rubber band, or string in quantities of 100 or less. They should be in ascending order by DCN. Each IL-8453 should consist of the non-electronic portion of the tax return as detailed in Section 105.100(c), Composition of an Electronic Return.

98) Mail in either envelopes or cartons to one of the addresses listed below:

Regular Mail	or	Overnight Mail
Illinois Dept. of Revenue		Illinois Dept. of Revenue
Exceptions Processing Division		Exceptions Exception Processing
Exception P.O. Box 19479		Exception Mail Code 2-221
Springfield, IL 62794-9479		101 W. Jefferson St.
		Springfield IL 62702 62794

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1997)

Section 105.515 IL-8453 Retaining Program

a) Electronic filers who function as electronic return originators (EROs) as defined in Section 105.200(a) may be authorized by the Department to participate in the IL-8453 retaining program. Participation in the program allows authorized EROs to maintain Forms IL-8453 and associated documents, rather than submitting them to the Department. Selected Forms IL-8453 may be periodically requested in writing by the Department from participating EROs for monitoring purposes.

b) EROs participating in the IL-8453 retaining program will be notified in writing by the Department each electronic filing season. Participating EROs must:

1) Continue to accurately complete Forms IL-8453 according to Section 105.510. All Forms IL-8453 and associated documents retained are subject to the Department's right of inspection or production for Department review without prior notice.

2) Submit selected Forms IL-8453 and associated documents as requested in writing by the Department. The Department's written request will provide the ERO special mailing instructions for submission of requested forms.

c) Authorization to participate in the IL-8453 retaining program may be rescinded at any time if the ERO fails to provide requested Forms IL-8453, or if review of the forms provided reveals that the ERO is not in compliance with the requirements set forth in this Part. If an ERO's authorization to participate is rescinded, the ERO will be required to submit all Forms IL-8453 retained up to the time of notification that they will no longer be allowed to participate, and

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all future Forms IL-8453.

(Source: Added at 21 Ill. Reg. 2362, effective FEB 03 1997)

SUBPART F: BALANCE DUE RETURNS AND DIRECT DEPOSIT OF REFUNDS

Section 105.600 Balance Due General Information

a) The taxpayer is responsible for submitting payment of any balance due the Department. Electronic return originators must provide the taxpayer with Payment Voucher Form ITR-85-E, at the time the taxpayer signs the IL-8453 for the balance due return.

b) Electronic return originators must inform taxpayers with balance due returns that payment of taxes due must be made to the Department no later than April 15 of the filing tax year. Failure to make full payment by this date will result in the imposition of interest and penalties.

(Source: Amended at 21 Ill. Reg. 2362, effective FEB 03 1997)

Section 105.610 Direct Deposit General Information

a) Qualifying taxpayers may authorize their tax overpayments to be directly deposited into their savings or checking accounts with financial institutions, rather than receive paper refund checks. The authorization must be made by providing the appropriate information in the electronically filed IL-1040 return and on Form IL-8453.

b) The Department will ordinarily process an authorization for direct deposit, but reserves the right to initiate a paper refund check. The following conditions may cause the Department to not process a direct deposit:

1) Taxpayer owes back taxes, either individual or business (refund offset);

2) Taxpayer has certain State or federal delinquent debt, such as child support, student loans, etc. (refund offset);

3) Estimated tax payments reported on the return do not match the estimated tax payments recorded on the Department's master file;

4) Taxpayer is claiming an unallowable or improperly supported deduction or credit; and

5) An electronic return is accepted with a valid Social Security number that belongs to another taxpayer.

c) The Department is not responsible for the misapplication of a direct deposit that is caused by error, negligence, or malfeasance on the part of the taxpayer, electronic filer, financial institution, or any of their agents.

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(Source: Added at 21 Ill. Reg. 2352, effective 1/1/97)

Section 105.620 Direct Deposit Responsibilities

Electronic filers who function as electronic return originators as defined in Section 105.200(a) must:

- a) Assure that the taxpayer is aware of all the general information regarding a direct deposit;
- b) Not charge a separate fee for direct deposit;
- c) Accept any direct deposit authorization to any eligible financial institution designated by the taxpayer. For the purpose of direct deposit of tax refunds, eligible financial institution is defined as a state or national bank, savings and loan association, mutual savings bank, or credit union that accepts direct deposits (sometimes called electronic funds transfers). "State" includes all states in the United States and their political subdivisions, and the District of Columbia;
- d) Assure that the taxpayer qualifies for direct deposit; to qualify for direct deposit a taxpayer must:
 - 1) Have the return electronically filed by an electronic return originator who is accepted in the Illinois program; and
 - 2) Provide to the electronic return originator proof of account from the financial institution that the taxpayer designates to receive the direct deposit. The account specified to receive the direct deposit must be in the taxpayer's name;
- e) Obtain proof of account from the taxpayer. Acceptable proof of account is a check (a photocopy is acceptable) or a form, report or statement generated by the financial institution. A deposit slip is not an acceptable proof of account. The proof of account document must contain the following preprinted information:
 - 1) Account name (name as on the account in the records of the financial institution);
 - 2) Account number;
 - 3) Name of financial institution or branch name; and
 - 4) Routing transit number (RTN) of the financial institution;
- f) Verify that the taxpayer's direct deposit information on Form IL-8453 is correct, and that the information entered is the information that is transmitted in the electronically filed IL-1040; and
- g) Caution the taxpayer that once the electronic return has been acknowledged as accepted by the Department, the direct deposit authorization cannot be rescinded, nor can changes be made to the routing transit number of the financial institution or the taxpayer's account number.

(Source: Added at 21 Ill. Reg. 2352, effective 1/1/97)

SUBPART G: INFORMATION ELECTRONIC FILERS MUST PROVIDE TO THE TAXPAYER**Section 105.700 Information and Material to be Provided to the Taxpayer**

- a) The electronic return originator must furnish the taxpayer with a copy of the electronic material described in Section 105.100(b). This information can be on copies of official Department forms or on forms designed by the electronic filer. If the latter, data entries must refer to the line numbers on official Department forms. This material should be provided to the taxpayer at the time the taxpayer signs the Form IL-8453.
- b) The electronic return originator must also provide the taxpayer with a copy of the entire non-electronic portion of the return.
- c) In addition, the electronic return originator should advise the taxpayer to retain copies of the following materials:
 - 1) Their copy of Forms W-2, W-2G, or 1099-R;
 - 2) Any other documents that are not required by the Department, but are voluntarily being included with the return by the taxpayer as supporting material; and
 - 3) A copy of the signed Form IL-8453.
- d) Electronic return originators should advise taxpayers that their electronic returns will be processed by the Department and the taxpayer's copy should not be forwarded to the Department. However, amended returns, if needed, must be filed as paper returns and mailed to the Department.
- e) If a return is rejected and cannot be successfully re-transmitted, the electronic return originator must immediately advise the taxpayer that the return was not electronically filed and the taxpayer must file a paper IL-1040 return.
- f) The electronic return originator should advise the taxpayer to wait six to eight weeks from the acknowledgement date before making an official inquiry about his refund. After this time has elapsed, the taxpayer can contact the Department's Taxpayer Assistance Office.
- g) Taxpayers generally contact the Department if they have not received their refund within eight weeks. The taxpayer may be asked for the DCN of the return and the date the Department acknowledged the return as accepted. The electronic return originator must, upon request, provide the taxpayer with this information.

(Source: Amended at 21 Ill. Reg. 2352, effective 1/1/97)

SUBPART H: TRANSMISSION PROCEDURES**Section 105.810 Acknowledgement of Electronic Returns**

- a) Each file of electronic returns transmitted to the Department will normally be acknowledged within 24 hours after of receipt.

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- b) The acknowledgement file identifies which returns have been accepted or rejected. The acknowledgement files must be retrieved within five days. If they are not, the Department will contact the transmitter.
- cb) If the acknowledgement file is not available within 36 hours, or if acknowledgements are received for returns that were not transmitted within the designated transmission, immediately contact the Department's Office of Electronic Filing for assistance.
- dc) The transmitter should match the acknowledgement file back to the original file transmitted.
- NOTE: Any transmitted electronic return that is acknowledged as rejected by the Department will not be considered a filed return.
- d) ~~The acknowledgement file identifies which returns have been accepted or rejected. The acknowledgement files must be retrieved within five days. If they are not, the Department will contact the transmitter.~~
- e) When a return has been rejected after three attempts, contact the Department Office of Electronic Filing and assistance will be provided.

(Source: Amended at 21 Ill. Reg. 2362 effective
FEB 03 1997)

SUBPART I: ADVERTISING STANDARDS

Section 105.900 Advertising Restrictions

- a) Participants in the program agree to comply with the advertising and solicitation provisions of 31 CFR, Part 10 (Treasury Department Circular No. 230) ~~1992~~. This circular prohibits the use in any way, or participation in the use, of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement or claim. The prohibition includes, but is not limited to, statements pertaining to the quality of services rendered unless subject to factual verification, claims of specialized expertise not authorized by the State or federal agencies having jurisdiction over the electronic filer, and statements or suggestions that the ingenuity and/or prior record of an electronic filer rather than the merit of the matter are principal factors likely to determine the result of the matter. In addition, advertising must not imply a special relationship with the Department.
- NOTE: Use of the Department's name, "Illinois Department of Revenue" or "Department", within a firm's name can result in immediate suspension from the program.
- b) The use of improper and/or misleading advertising in relation to the program is grounds for suspension.
- c) The Department will monitor advertising and practices of electronic filers for consistency with the Department's requirements as stated in this Section.

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(Source: Amended at 21 Ill. Reg. 2362 effective
FEB 03 1997)

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- 1) Heading of the Part: Hotel Operators' Occupation Tax Act
- 2) Code Citation: 86 Ill. Adm. Code 480
- 3) Section Numbers: Adopted Action:
480.110 Amendment
- 4) Statutory Authority: 35 ILCS 145
- 5) Effective Date of Amendment(s): February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: August 30, 1996, 20 Ill. Reg. 11903
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: The only changes made were the ones agreed upon with JCAR. The changes made were grammar and punctuation or technical. No substantive changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any amendments pending on this Part? Yes

<u>Section Numbers</u> 480.105	<u>Proposed Action</u> Amendment	<u>IL Register Citation</u> 10/4/96, 20 Ill. Reg. 13035
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- 15) Summary and Purpose of Amendment(s): This rulemaking deletes the requirement that each hotel operator shall annually file an information return covering the preceding calendar year (or fiscal year if the operator files his federal income tax returns on the basis of a fiscal year).
- 16) Information and questions regarding this adopted amendment shall be directed to:

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Gina Roccaforte
Associate Counsel
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
Phone: (217) 782-6996

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED AMENDMENTS

TITLE 86: REVENUE
 CHAPTER I: DEPARTMENT OF REVENUE
 PART 480
 HOTEL OPERATORS' OCCUPATION TAX ACT

Section	Nature, Rate and Scope of the Tax
480.101	Definitions
480.105	Registration and Returns
480.110	Books and Records
480.115	Penalties, Interest and Procedures
480.120	Claims to Recover Erroneously Paid Tax

AUTHORITY: Implementing the Hotel Operators' Occupation Tax Act [35 ILCS 145] and authorized by Section 39b19 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b19].

SOURCE: Adopted July 6, 1962; codified at 8 Ill. Reg. 8611; amended at 13 Ill. Reg. 10693, effective June 16, 1989; amended at 16 Ill. Reg. 3578, effective February 25, 1992; amended at 21 Ill. Reg. 2383, effective February 25, 1994.

Section 480.110 Registration and Returns

a) Registration

- 1) It is unlawful for any person to engage in the business of renting, leasing or letting rooms in a hotel in this State without a Certificate of Registration from the Department of Revenue (Department).
- 2) Any person who engages in such business is required to apply to the Department for a Certificate of Registration on a form which is prescribed by the Department, and which will be furnished on request. Upon receipt of the application to register in proper form, the Department will issue a Certificate of Registration to the applicant. Such Certificate of Registration must be publicly displayed.
- 3) All the provisions of Subpart G of the Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) (including the provisions concerning the furnishing of bond or other security by taxpayers to the Department, among other things), to the extent to which any such provision is not inconsistent with the Hotel Operators' Occupation Tax Act [35 ILCS 145] ~~and the Sections 1987--ch--129--par--481b-3i-et-seq-7 (the Act), and the Sections promulgated thereunder, shall apply to the tax collected pursuant to this Part. are incorporated herein by reference--and--made--a part of this Section.~~
- b) Return and Payment of the Tax

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- 1) Except as provided hereinafter in this Section, on or before the last day of each calendar month, every person engaged in the business of renting, leasing or letting rooms in a hotel in this State during the preceding calendar month shall file a return with the Department, stating:
 - A) The name of the operator;
 - B) his residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of renting, leasing or letting rooms in a hotel in this State;
 - C) total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms during such preceding calendar month;
 - D) total amount of rental receipts received by him during the preceding calendar month from renting, leasing or letting rooms to permanent residents during such preceding calendar month;
 - E) total amount of other exclusions from gross rental receipts allowed by the Act;
 - F) gross rental receipts which were received by him during the preceding calendar month and upon the basis of which the tax is imposed;
 - G) the amount of tax imposed, less a discount of 2.1% or \$25.00 per calendar year, whichever is greater, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request pursuant to this Act, if the return and payment are filed in accordance with this Section;
 - H) the amount of penalty due, if any; and
 - I) such other reasonable information as the Department may require.
- 2) If the operator's average monthly tax liability to the Department does not exceed \$200.00, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 30 of such year; with the return for April, May and June of a given year being due by July 31 of such year; with the return for July, August and September of a given year being due by October 31 of such year, and with the return for October, November and December of a given year being due by January 31 of the following year.
- 3) If the operator's average monthly tax liability to the Department does not exceed \$50.00, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 31 of the following year.
- 4) Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

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- 5) Notwithstanding any other provision in the Act concerning the time within which an operator may file his return, in the case of any operator who ceases to engage in a kind of business which makes him responsible for filing returns under the Act, such operator shall file a final return under the Act with the Department not more than one month after discontinuing such business.
- 6) Where the same person has more than one business registered with the Department under separate registrations under the Act, such person shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.
- 7) In his return, the operator shall determine the value of any consideration other than money received by him in connection with the renting, leasing or letting of rooms in the course of his business, and he shall include such value in his return. Such determination shall be subject to review and revision by the Department.
- 8) Where the operator is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.
- 9) The person filing the return shall, at the time of filing such return, pay to the Department the amount of tax due.

c) Annual Information Returns

- 1) In addition to any other return required by the Act, each operator shall annually file an information return covering the preceding calendar year for fiscal year if the operator files his Federal income tax returns on the basis of a fiscal year. Such annual return shall be filed with the Department on a form prescribed by the Department not more than 30 days after the date set for the filing of such operator's Federal income tax return. Such annual return to the Department shall include a statement of gross receipts as shown by the operator's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department for the same period, the operator shall attach to his annual information return a schedule showing a reconciliation of the two amounts and the reasons for the difference. The operator's annual information return to the Department shall also disclose payroll information of the operator's business during the year covered by such return and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly quarterly or annual tax returns.
- 2) The foregoing requirements concerning the filing of an annual information return shall not apply to an operator who certifies on such annual information return that such operator is

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authorized to do business, and is actually doing business, in two or more states, provided that such certification is true.

3) The foregoing portion of this Section concerning the filing of an annual information return also shall not apply to an operator who is not required to file an income tax return with the United States Government.

c) Special Reporting Problem Connected With Exclusion for Permanent Residents. The Act defines a "permanent resident" as a person who occupies or has the right to occupy a room for at least 30 consecutive days. It will not always be possible for a hotel to determine whether a guest is a "permanent resident" at the end of a particular reporting period. In such cases:

- 1) Where a guest has occupied a room for 30 consecutive days as of the end of a reporting period, no tax is due.
- 2) Where a guest has a binding contract for at least 30 days, no tax need be reported or paid; except that, if the contract is terminated before the end of the first 30 days, a tax should be paid for the period up to the time when the contract is terminated.
- 3) Where the hotel does not know whether a guest is a "permanent resident" at the end of the period for which a return is filed (because the first 30 days are not up), a tax should be paid. If the guest later stays for 30 days, the amount of rental for the first 30 days, or portion thereof, upon which a tax has already been paid, should be deducted in Item 3 on the return for the next month, and a schedule should be filed with the return explaining such deduction.

d) Gross Receipts or Gross Billing Basis of Reporting

- 1) At the beginning of a registration under the Hotel Operators' Occupation Tax Act, the registrant may elect to file returns on the receipts basis (reporting, for the return period, only those receipts received during such return period), or the registrant may elect to file returns on the gross billing basis (reporting, for the return period, all rentals billed during the return period whether collected during such return period or not).
- 2) An operator may change from the gross billing basis to the gross receipts basis of reporting in tax returns without obtaining special permission from the Department. However, once an operator has commenced to file returns on the gross receipts basis, he may not change his method of reporting to the gross billing basis without first obtaining permission from the Department to make this change.
- 3) On the receipts basis of reporting, since the operator does not report and pay tax on receipts until he receives them, he would never have any occasion for taking a bad debt deduction on his returns. However, where the operator who is filing returns on the gross billing basis pays tax to the Department on a billing which later turns out to be a bad debt, and which is charged off

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on the operator's books as a bad debt for Federal income tax purposes, the operator may take a deduction for such bad debt on his Hotel Operators' Occupation Tax return to the Department. If such operator, after taking such bad debt deduction, should later realize a recovery thereon, he shall report and pay tax on the amount of such recovery when filing his return for the return period in which such recovery occurs.

(Source: Amended at 21 Ill. Reg. 2383, effective
FEB 13 1997)

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- 1) Heading of the Part: Salem Civic Center Retailers' Occupation Tax
- 2) Code Citation: 86 Ill. Adm. Code 690
- 3) Section Numbers:

690.101	<u>Adopted Action:</u>
690.105	New Section
690.110	New Section
690.115	New Section
690.120	New Section
690.125	New Section
690.130	New Section
- 4) Statutory Authority: 20 ILCS 2505/39b19
- 5) Effective Date of Amendment(s): February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: August 30, 1996, 20 Ill. Reg. 11910
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: The only changes made were the ones agreed upon with JCAR. The changes made were grammar and punctuation or technical. No substantive changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Amendment(s): This rulemaking implements Public Act 89-460, which authorizes the Salem Civic Center Authority to impose a Retailers' Occupation Tax in the City of Salem if approved by voters at referendum, imposed in one-quarter percent increments at a rate not to exceed 1%. Contains provisions concerning the nature of the tax, returns, etc.

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16) Information and questions regarding this adopted amendment shall be directed to:

Gina Roccaforte
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Legal Services Office
101 West Jefferson
Springfield, IL 62794
(217) 782-6996

The full text of the Adopted Amendment begins on the next page:

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NOTICE OF ADOPTED RULEMAKING

TITLE 86: REVENUE

CHAPTER I: DEPARTMENT OF REVENUE

PART 690

SALEM CIVIC CENTER RETAILERS' OCCUPATION TAX

Section

690.101	Nature of the Salem Civic Center Retailers' Occupation Tax
690.105	Registration and Returns
690.110	Claims to Recover Erroneously Paid Tax
690.115	Jurisdictional Questions
690.120	Incorporation of Retailers' Occupation Tax Regulations by Reference
690.125	Penalties, Interest and Procedures
690.130	Effective Date

AUTHORITY: Implementing Section 11.5 of the Salem Civic Center Use and Occupation Tax Law of the Salem Civic Center Law [70 ILCS 335/11.5] and authorized by Section 39b29 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b29].

SOURCE: Adopted at 21 Ill. Reg. effective

2390

FEB 03 1997

Section 690.101 Nature of the Salem Civic Center Retailers' Occupation Tax

a) Authority to Impose Tax

The Authority is authorized by Section 11.5 of the Salem Civic Center Law [70 ILCS 335/11.5] (the Law) to impose a tax, the Salem Civic Center Retailers' Occupation Tax, on all persons engaged in the business of selling tangible personal property at retail in the metropolitan area on the gross receipts from sales made in the course of such business within the metropolitan area, if a proposition for the tax has been submitted to the electors of that metropolitan area and approved by a majority of those voting on the question. If imposed, such tax shall only be imposed in 1/4% increments at a rate not to exceed 1%. The tax imposed by the Authority under the Law and this Part, and all civil penalties that may be assessed as an incident thereof, shall be collected and enforced by the Illinois Department of Revenue (Department).

b) Passing on the Tax

The legal incidence of the Salem Civic Center Retailers' Occupation Tax is on the seller. Nevertheless, the General Assembly has authorized persons subject to any tax imposed pursuant to the authority granted in the Salem Civic Center Use and Occupation Tax Law to reimburse themselves for their Salem Civic Center Retailers' Occupation Tax liability by separately stating such tax as an additional charge, which charge may be stated in combination, in a

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single amount, with State tax which sellers are required to collect under the Use Tax Act [35 ILCS 105], pursuant to such bracket schedules as the Department has prescribed (see 86 Ill. Adm. Code 150. Table A).

c) Exclusion from "Gross Receipts"

Any amount added to the selling price of tangible personal property by the seller because of a Salem Civic Center Retailers' Occupation Tax, or because of the Illinois Retailers' Occupation Tax [35 ILCS 120], the Illinois Use Tax [35 ILCS 105], the Home Rule Municipal Retailers' Occupation Tax [65 ILCS 5/8-11-1], the Non-Home Rule Municipal Retailers' Occupation Tax [65 ILCS 5/8-11-1.3], the Metro East Mass Transit District Retailers' Occupation Tax [70 ILCS 3610/5.01], the Regional Transportation Authority Retailers' Occupation Tax [70 ILCS 3615/4.03] or the County Water Commission Retailers' Occupation Tax [70 ILCS 3720/4(b)], and collected from the purchaser, shall not be regarded as a part of the seller's gross receipts that are subject to such Salem Civic Center Retailers' Occupation Tax.

Section 690.105 Registration and Returns

a) Separate Registration not Required

A retailer's registration under the Illinois Retailers' Occupation Tax Act [35 ILCS 120] is sufficient for the Salem Civic Center Use and Occupation Tax Law. No special registration for the Salem Civic Center Retailers' Occupation Tax is required.

b) Requirements as to Returns

- 1) The information required for the Salem Civic Center Retailers' Occupation Tax shall be furnished on the retailer's Retailers' Occupation Tax return form.
- 2) If the retailer files his Illinois Retailers' Occupation Tax returns on the gross receipts basis, he must report Salem Civic Center Retailers' Occupation Tax information in his returns on the same basis. If the retailer files his Illinois Retailers' Occupation Tax returns on the gross sales basis, he must report Salem Civic Center Retailers' Occupation Tax information in his returns on the gross sales basis.

Section 690.110 Claims to Recover Erroneously Paid Tax

Claims for Multiple Taxes. If a claimant files a claim for refund on a transaction which was subject to State and local taxes administered by the Department, the claim need not be filed separately for each type of tax. A single claim for the total of all applicable taxes will suffice. The claim will be audited, heard, or otherwise processed as a single claim whenever possible. A single credit memorandum will be issued which may be used by the claimant or his authorized assignee to pay State or local tax liability.

Section 690.115 Jurisdictional Questions

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a) Metropolitan Area Defined

When used in this Part, "metropolitan area" means all territory in the State of Illinois lying within the corporate boundaries of the City of Salem in Marion County.

b) Mere Solicitation of Orders not Doing Business

- 1) For a seller to incur Salem Civic Center Retailers' Occupation Tax liability in a given metropolitan area, the sale must be made in the course of such seller's engaging in the retail business within such metropolitan area. In other words, enough of the selling activity must occur within the metropolitan area to justify concluding that the seller is engaged in business within the metropolitan area with respect to that sale.
- 2) For example, the Supreme Court has held the mere solicitation and receipt of orders within a taxing jurisdiction (the State), where such orders were subject to acceptance outside the taxing jurisdiction and title passed outside such jurisdiction, with the goods being shipped from outside such jurisdiction to the purchaser in such jurisdiction, did not constitute engaging in the business of selling within such jurisdiction. This conclusion was reached independently of any question of interstate commerce and so would apply to the metropolitan area as the taxing jurisdiction as much as to the State as the taxing jurisdiction.

c) Seller's Acceptance of Order

- 1) Without attempting to anticipate every kind of fact situation that may arise in this connection, it is the Department's opinion, in general, that the seller's acceptance of the purchase order or other contracting action in the making of the sales contract is the most important single factor in the occupation of selling. If the purchase order is accepted at the seller's place of business within the county or by someone who is working out of such place of business and who does not conduct the business of selling elsewhere within the meaning of subsections (g) and (h) of this Section, or if a purchase order which is an acceptance of the seller's complete and unconditional offer to sell is received by the seller's place of business within the county or by someone working out of such place of business, the seller incurs Salem Civic Center Retailers' Occupation Tax liability in that metropolitan area if the sale is at retail and the purchaser receives the physical possession of the property in Illinois. The Department will assume that the seller has accepted the purchase order at the place of business at which the seller receives such purchase order from the purchaser in the absence of clear proof to the contrary.

- 2) If a purchase order is accepted outside this State, but the tangible personal property which is sold is in an inventory of the retailer located within the metropolitan area at the time of its sale (or is subsequently produced in Illinois), then delivered in Illinois to the purchaser, the place where the

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property is located at the time of the sale (or subsequent production in Illinois) will determine where the seller is engaged in business for Salem Civic Center Retailers' Occupation Tax purposes with respect to such sale.

d) Some Considerations that are not Controlling

1) Delivery of the property within the metropolitan area to the purchaser is not necessary for the seller to incur Salem Civic Center Retailers' Occupation Tax liability. It is sufficient that the purchaser receives the physical possession of the property somewhere in Illinois as far as the question of delivery is concerned. This is true because there is no exemption for intermetropolitan area commerce comparable to the exemption arising from interstate commerce, and it is not necessary for delivery to be completed within the metropolitan area for the seller to be regarded as being engaged in the business of selling within such metropolitan area with respect to that sale.

2) The point at which the tangible personal property will be used or consumed and the place at which the purchaser resides are also immaterial in determining whether or not the seller incurs Salem Civic Center Retailers' Occupation Tax liability. Furthermore, the place at which the technical sale occurs (i.e., the place at which title passes) is not a decisive consideration since the phrase "in the metropolitan area" in the Salem Civic Center Use and Occupation Tax Law refers only to the location of the occupation of selling that is being taxed and not to the place where sales may be made. (See Standard Oil Company vs. Department of Finance et al., 383 Ill. 136 (1934), for a similar problem under the Illinois Retailers' Occupation Tax Act.)

e) Place of Business Where Long Term or Blanket Contracts are Involved Under a long term blanket or master contract which (though definite as to price and quantity) must be implemented by the purchaser's placing of specific orders when goods are wanted, the seller's place of business with which such subsequent specific orders are placed (rather than the place where the seller signed the master contract) will determine where the seller is engaged in business for Salem Civic Center Retailers' Occupation Tax purposes with respect to such orders.

f) Sales Through Vending Machines

The seller's place of engaging in business when making sales through a vending machine is the place where the vending machine is located when such sales are made.

g) Sales from Vehicles Carrying Uncommitted Stock of Goods The seller's place of engaging in business when making sales and deliveries (not just deliveries pursuant to previously accepted orders, but actual sales and deliveries) from a vehicle in which a stock of goods is being carried for sale is the place at which such sales and deliveries happen to be made - the vehicle carrying such stock of goods for sale being regarded as a portable place of business.

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h) Sales of Coal or Other Minerals

For the purpose of determining the tax that is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth.

1) A retail sale is a sale to a user, such as a railroad, public utility or other industrial company, for use. "Mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and extracted from the earth.

2) A mineral produced in Illinois, but shipped out of Illinois by the seller for use outside Illinois, will generally be tax exempt under the Commerce Clause of the Federal Constitution (i.e., as a sale in interstate commerce). This exemption does not extend, however, to sales to carriers, other than common carriers by rail, for their own use outside Illinois if the purchasing carrier takes delivery of the property in Illinois and transports it over its own line to an out-of-State destination.

3) A sale by a mineral producer to a wholesaler or retailer for resale would not be a retail sale by the producer and so would not be taxable. The taxable sale (the retail sale) is the final sale to the user, and the Salem Civic Center Retailers' Occupation Tax on that sale will go to the metropolitan area where the retailer is located.

Section 690.120 Incorporation of Retailers' Occupation Tax Regulations by Reference

To avoid needless repetition, the substance and provisions of all Retailers' Occupation Tax Regulations (86 Ill. Adm. Code 130) which are not incompatible with the Salem Civic Center Use and Occupation Tax Law or any special regulations that may be promulgated by the Department thereunder shall apply to the tax imposed pursuant to this Part.

Section 690.125 Penalties, Interest and Procedures

All penalties (both civil and criminal), provisions concerning interest and procedures (such as the making of assessments, the venue and mode of conducting hearings, subpoenas, matters pertaining to judicial review and other procedural subjects), together with statutes of limitation, are the same under the Salem Civic Center Use and Occupation Tax Law as under the Illinois Retailers' Occupation Tax Act [35 ILCS 120].

Section 690.130 Effective Date

An ordinance or resolution imposing or discontinuing or effecting a change in the rate of a Salem Civic Center Retailers' Occupation Tax shall be adopted and a certified copy thereof filed with the Department on or before the first day

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of April, whereupon the Department shall proceed to administer and enforce the ordinance or resolution as of the first day of July next following such adoption and filing. For purposes of determining which tax rate applies, the date of the sale is deemed to be the date of the delivery of the property.

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NOTICE OF ADOPTED RULEMAKING

- 1) Heading of the Part: Salem Civic Center Service Occupation Tax
- 2) Code Citation: 86 Ill. Adm. Code 691
- 3) Section Numbers:
691.101 New Section
691.105 New Section
691.110 New Section
691.115 New Section
691.120 New Section
691.125 New Section
691.130 New Section
- 4) Statutory Authority: 20 ILCS 2505/39b19
- 5) Effective Date of Amendment(s): February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: August 30, 1996, 20 Ill. Reg. 11918
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: The only changes made were the ones agreed upon with JCAR. The changes made were grammar and punctuation or technical. No substantive changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Amendment(s): This rulemaking implements Public Act 89-460, which authorizes the Salem Civic Center Authority to impose a Service Occupation Tax in the City of Salem if approved by voters at referendum, imposed in one-quarter percent increments at a rate not to exceed 1%. Contains provisions concerning the nature of the tax, returns, etc.
- 16) Information and questions regarding this adopted amendment shall be

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NOTICE OF ADOPTED RULKEMAKING

directed to:

Gina Roccaforte
Associate Counsel
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
Phone: (217) 782-6996

The full text of the Adopted Amendment begins on the next page:

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NOTICE OF ADOPTED RULKEMAKING

TITLE 86: REVENUE

CHAPTER I: DEPARTMENT OF REVENUE

PART 691

SALEM CIVIC CENTER SERVICE OCCUPATION TAX

Section

691.101	Nature of the Salem Civic Center Service Occupation Tax
691.105	Registration and Returns
691.110	Claims to Recover Erroneously Paid Tax
691.115	Jurisdictional Questions
691.120	Incorporation of Service Occupation Tax Regulations by Reference
691.125	Penalties, Interest and Procedures
691.130	Effective Date

AUTHORITY: Implementing Section 11.5 of the Salem Civic Center Use and Occupation Tax Law of the Salem Civic Center Law [70 ILCS 335/11.5] and authorized by Section 39b29 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b29].

SOURCE: Adopted at 21 Ill. Reg. 2398, effective

FFB 11-1-1987

Section 691.101 Nature of the Salem Civic Center Service Occupation Tax

a) Authority to Impose Tax

The Authority is authorized by Section 11.5 of the Salem Civic Center Law [70 ILCS 335/11.5] (the Law) to impose a tax, the Salem Civic Center Service Occupation Tax, on all persons engaged, in the metropolitan area, in the business of making sales of service at the same rate of tax imposed pursuant to Section 11.5(b) of the Law of the selling price of all tangible personal property transferred by such serviceman either in the form of tangible personal property or in the form of real estate as an incident to such sale of service. If imposed, such tax shall only be imposed in 1/4% increments at a rate not to exceed 1%. The tax imposed by the Authority under the Law and this Part, and all civil penalties that may be assessed as an incident thereof, shall be collected and enforced by the Illinois Department of Revenue (Department).

b) Passing on the Tax

Servicemen are required to collect the Salem Civic Center Service Occupation Tax (when applicable) from purchasers of service in conformance with the requirements of the Service Occupation Tax Regulations (86 Ill. Adm. Code 140). The legal incidence of the Salem Civic Center Service Occupation Tax is on the serviceman. Nevertheless, the General Assembly has authorized persons subject to any tax imposed pursuant to the authority granted in the Salem Civic Center Use and Occupation Tax Law to reimburse themselves for their

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Salem Civic Center Service Occupation Tax liability by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which servicemen are authorized to collect under the Service Use Tax Act [35 ILCS 110], pursuant to such bracket schedules as the Department has prescribed (see 86 Ill. Adm. Code 150. Table A).

c) Exclusion from "Cost Price"

Any amount added by a serviceman to the selling price of tangible personal property as an incident to service because of a Salem Civic Center Service Occupation Tax, or because of the Illinois Service Occupation Tax [35 ILCS 115], the Home Rule Municipal Service Occupation Tax [65 ILCS 5/8-11-5], the Non-Home Rule Municipal Service Occupation Tax [65 ILCS 5/8-11-1.4], the Metro East Mass Transit District Service Occupation Tax [70 ILCS 3610/5.01], the Regional Transportation Authority Service Occupation Tax [70 ILCS 3615/4.03] or the County Water Commission Service Occupation Tax [70 ILCS 3720/4(c)], shall not be regarded as a part of the selling price which is subject to such Salem Civic Center Service Occupation Tax.

Section 691.105 Registration and Returns

- a) A serviceman's registration under the Service Occupation Tax Act [35 ILCS 115] or the Illinois Retailers' Occupation Tax Act [35 ILCS 120] is sufficient for the purposes of the Salem Civic Center Use and Occupation Tax Law. No special registration for the Salem Civic Center Service Occupation Tax is required.
- b) The information required for the Salem Civic Center Service Occupation Tax shall be furnished on the taxpayer's Illinois Service Occupation Tax return form.
- c) The provisions of the Service Occupation Tax Regulations (86 Ill. Adm. Code 140) shall apply to the tax imposed pursuant to this Part.

Section 691.110 Claims to Recover Erroneously Paid Tax

Claims for Multiple Taxes. If a claimant files a claim for refund on a transaction which was subject to State and local taxes administered by the Department, the claim need not be filed separately for each type of tax. A single claim for the total of all applicable taxes will suffice. The claim will be audited, heard, or otherwise processed as a single claim whenever possible. A single credit memorandum will be issued which may be used by the claimant or his authorized assignee to pay State or local tax liability.

Section 691.115 Jurisdictional Questions

- a) When used in this Part, "metropolitan area" means all territory in the State of Illinois lying within the corporate boundaries of the City of Salem in Marion County.
- b) If the Illinois Service Occupation Tax on a transaction is being

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remitted to the Department by the serviceman, the serviceman shall also pay Salem Civic Center Service Occupation Tax to the Department on the same transaction if such serviceman's place of business is located in the metropolitan area.

Section 691.120 Incorporation of Service Occupation Tax Regulations by Reference

To avoid needless repetition, the substance and provisions of all Service Occupation Tax Regulations (86 Ill. Adm. Code 140) which are not incompatible with the Salem Civic Center Use and Occupation Tax Law or any special regulations that may be promulgated by the Department thereunder shall apply to the tax imposed pursuant to this Part.

Section 691.125 Penalties, Interest and Procedures

All penalties (both civil and criminal), provisions concerning interest and procedures (such as the making of assessments, the venue and mode of conducting hearings, subpoenas, matters pertaining to judicial review and other procedural subjects), together with statutes of limitation, are the same under the Salem Civic Center Use and Occupation Tax Law as under the Service Occupation Tax Act.

Section 691.130 Effective Date

An ordinance or resolution imposing or discontinuing or effecting a change in the rate of a Salem Civic Center Service Occupation Tax shall be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce the ordinance or resolution as of the first day of July next following such adoption and filing. For purposes of determining which tax rate applies, the date of the sale of service is deemed to be the date of the delivery, to the user, of the tangible personal property which the serviceman retransfers as an incident to service.

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NOTICE OF ADOPTED RULEMAKING

- 1) Heading of the Part: Salem Civic Center Use Tax
- 2) Code Citation: 86 Ill. Adm. Code 692
- 3) Section Numbers:

692.101	Adopted Action:
692.105	New Section
692.110	New Section
692.115	New Section
692.120	New Section
- 4) Statutory Authority: 20 ILCS 2505/39b19
- 5) Effective Date of Amendment(s): February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: August 30, 1996, 20 Ill. Reg. 11923
- 10) Has JCAR issued a Statement of Objections to these Amendments? No
- 11) Differences between proposal and final version: The only changes made were the ones agreed upon with JCAR. The changes made were grammar and punctuation or technical. No substantive changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Amendment(s): This rulemaking implements Public Act 89-460, which authorizes the Salem Civic Center Authority to impose a Use Tax in the City of Salem if approved by voters at referendum, imposed in one-quarter percent increments at a rate not to exceed 1%. Contains provisions concerning the nature of the tax, returns, etc.
- 16) Information and questions regarding this adopted amendment shall be directed to:

Gina Roccaforte

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED RULEMAKING

Associate Counsel
 Illinois Department of Revenue
 Legal Services Office
 101 West Jefferson
 Springfield, IL 62794
 (217) 782-6996

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF ADOPTED RULEMAKING

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 692

SALEM CIVIC CENTER USE TAX

Section	
692.101	Nature of the Salem Civic Center Use Tax
692.105	Items Covered
692.110	Incorporation of Use Tax Regulations by Reference
692.115	Penalties, Interest and Procedures
692.120	Effective Date

AUTHORITY: Implementing Section 11.5 of the Salem Civic Center Use and Occupation Tax Law of the Salem Civic Center Law [70 ILCS 335/11.5] and authorized by Section 39b29 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b29].

SOURCE: Adopted at 21 Ill. Reg. _____, effective _____, 2403.

Section 692.101 Nature of the Salem Civic Center Use Tax

The Authority is authorized by Section 11.5 of the Salem Civic Center Law [70 ILCS 335/11.5] (the Law) to impose a tax, the Salem Civic Center Use Tax, upon the privilege of using, in the metropolitan area, any item of tangible personal property that is purchased outside the metropolitan area at retail from a retailer, and that is titled or registered at a location within the metropolitan area with an agency of this State's government, at the same rate of tax imposed pursuant to Section 11.5(b) of the Law of the selling price of such tangible personal property, as selling price is defined in the Use Tax Act. If imposed, such tax shall only be imposed in 1/4% increments at a rate not to exceed 1%. The tax imposed by the Authority under the Law and this Part, and all civil penalties that may be assessed as an incident thereof, shall be collected and enforced by the Illinois Department of Revenue (Department).

Section 692.105 Items Covered

Items that are titled or registered with the State are motor vehicles, aircraft, watercraft, snowmobiles, and implements of husbandry and special mobile equipment for which the owner decides to apply for an optional title. For the purposes of this Part:

- The term "motor vehicle" includes passenger cars, trucks, buses, motorcycles and any kind of vehicle that is required to be titled under the Illinois Vehicle Code [625 ILCS 5], including house trailers for which a display certificate of title is required.
- The term "implement of husbandry" means every vehicle designed and

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adapted exclusively for agricultural, horticultural or livestock raising operations, including farm wagons, wagon trailers or like vehicles used in connection therewith, or for lifting or carrying an implement of husbandry provided that no farm wagon, wagon trailer or like vehicle having a gross weight of more than 36,000 pounds shall be included hereunder. [625 ILCS 5/1-130]

- The term "special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: street sweepers, ditch digging apparatus, well boring apparatus and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include house trailers, dump trucks, truck mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached. [625 ILCS 5/1-19]

- Watercraft** means every description of watercraft used or capable of being used as a means of transportation on water, except a seaplane on the water, innertube, air mattress or similar device, and boats used for concession rides in artificial bodies of water designed and used exclusively for such concessions. (Section 1-2 of the Boat Registration and Safety Act [625 ILCS 45/1-2]) Every watercraft other than sailboards, on waters within the jurisdiction of this State, shall be numbered. [625 ILCS 45/3-1]

Section 692.110 Incorporation of Use Tax Regulations by Reference

To avoid needless repetition, the substance and provisions of all Use Tax Rules (86 Ill. Adm. Code 150), except Subpart A as it pertains to subject matter and rate; Subpart G as it pertains to registration of out-of-State retailers; Subpart H as it pertains to deduction for collecting tax; and Subpart M as it pertains to retailers and the use of a credit memorandum to discharge State or municipal tax liabilities, shall apply to the tax imposed pursuant to this Part.

Section 692.115 Penalties, Interest and Procedures

All penalties (both civil and criminal), provisions concerning interest and procedures (such as the making of assessments, the venue and mode of conducting hearings, subpoenas, matters pertaining to judicial review and other procedural subjects), together with statutes of limitation, are the same under the Salem Civic Center Use and Occupation Tax Law as under the Illinois Use Tax Act [35 ILCS 105].

Section 692.120 Effective Date

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An ordinance or resolution imposing or discontinuing or effecting a change in the rate of a Salem Civic Center Use Tax shall be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce the ordinance or resolution as of the first day of July next following such adoption and filing. For purposes of determining which tax rate applies, the date of the purchase is deemed to be the date of the delivery of the property.

SECRETARY OF STATE

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Literacy Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 3040
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
3040.120	Amendment
3040.160	Amendment
3040.170	Amendment
3040.210	Amendment
3040.220	Amendment
3040.240	Amendment
3040.330	Amendment
- 4) Statutory Authority: Implementing and authorized by the State Library Act [15 ILCS 320]
- 5) Effective Date of Rules Amendments: February 3, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: February 3, 1997
- 9) Notice of Proposal Published in Illinois Register: October 25, 1996; 20 Ill. Reg. 13930
- 10) Has JCAR issued a Statement of Objections to this Rule? No
- 11) Differences Between Proposal and Final Version: Minor punctuation changes were made, and minor corrections were made in legal citations, as requested by JCAR.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this rule replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rule: The rules enable the Office of the Secretary of State/Illinois State Library to review grant applications and distribute grant funds in a more timely manner. The requirements of recently enacted state legislation, which shortens the state lapse period, are also addressed.
- 16) Information and questions regarding this adopted amendment shall be directed to:

SECRETARY OF STATE

NOTICE OF ADOPTED AMENDMENTS

Kathleen Bloomberg
Associate Director of Administration
Illinois State Library
300 S. Second Street
Springfield, IL 62701-1796

217/785-0052
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Internet

The full text of the adopted amendments begins on the next page:

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NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE B: CULTURAL RESOURCES
CHAPTER I: SECRETARY OF STATE

PART 3040
LITERACY GRANT PROGRAM

SUBPART A: LITERACY PROVIDER PROGRAM

Section	Purpose
3040.100	Purpose
3040.110	Definitions
3040.120	Application for Grant
3040.130	Review of Grant Applications
3040.140	Award of Grants and Recordkeeping
3040.150	Cancellation of Grant
3040.160	Audit Procedures
3040.170	Other Requirements
3040.180	Invalidity

SUBPART B: WORKPLACE LITERACY PROGRAM

Section	Purpose
3040.200	Purpose
3040.210	Definitions
3040.220	Application for Grant
3040.230	Review of Grant Applications
3040.240	Award of Grant, Financial Reports, and Program Progress Reports
3040.250	Cancellation of Grant
3040.260	Other Requirements
3040.270	Invalidity

SUBPART C: FAMILY LITERACY PROGRAM

Section	Purpose
2040.300	Purpose
2040.310	Definitions
2040.320	Eligible Applicants
2040.330	Grant Applications

AUTHORITY: Implementing and authorized by the State Library Act [15 ILCS 320].

SOURCE: Emergency rules adopted at 9 Ill. Reg. 15563, effective October 2, 1985, for a maximum of 150 days; adopted at 10 Ill. Reg. 4916, effective March 11, 1986; amended at 11 Ill. Reg. 17258, effective October 15, 1987; amended at 15 Ill. Reg. 18757, effective December 17, 1991; amended at 16 Ill. Reg. 13084, effective August 15, 1992; amended at 17 Ill. Reg. 7234, effective May 10,

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1993; amended at 18 Ill. Reg. 4990, effective March 9, 1994; amended at 20 Ill. Reg. 5889, effective April 9, 1996; amended at 21 Ill. Reg. 2408, effective FEB 11 1997.

SUBPART A: LITERACY PROVIDER PROGRAM

Section 3040.120 Application for Grant

- a) Requests for a grant shall be submitted to the LAB in writing postmarked no later than March 1st ~~October--15, 1985; for--Fiscal Year 1986--and April--15th~~ for every fiscal year thereafter. Applicants shall use the forms prepared and made available by the Secretary of State for this purpose. Applications not submitted on time or on the required forms shall not be considered by the LAB.
- b) Applications shall be submitted to the Literacy Office, Illinois State Library, 431 South Fourth Street, Springfield, Illinois 62701.
- c) Applications shall be reviewed by the LAB. Awards shall be made on or after December 1, 1985, for Fiscal Year 1986 and on or after July 1 of every year thereafter for the fiscal year then commencing.
- d) Grants shall not exceed \$50,000 to any one grant applicant in Fiscal Year 1986. The maximum grant amount shall be determined by the Secretary basing his or her decision upon the amount of money appropriated by the General Assembly and the likely number of grant applications.
- e) Applications must be submitted in one (1) original and fifteen (15) copies.
- f) The first grant period shall be for a period of six (6) months, January 1, 1986, until June 30, 1986. Thereafter, the grant period shall be the fiscal year.
- g) Applications shall include the following information:
 - 1) The name of the literacy program for the community.
 - 2) The name and address of the grant applicant.
 - 3) The name and telephone number of grant project applicant's director or executive officer.
 - 4) The name, address, telephone number, Federal Employer Identification Number (FEIN), and signature of the grant applicant's fiscal officer, who will receive any approved grant and be responsible for the grant funds.
 - 5) The term of the literacy program.
 - 6) The total amount of grant money requested for the literacy program.
 - 7) A brief and explicit description of the literacy program purpose and goals.
 - 8) A statement supported by statistics (e.g., dropout rates, census figures on the education level of the local population, or the number of persons receiving public assistance) and other evidence, (statements from local officials, State legislature requests, or community college reports) detailing the need for

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- the literacy program in the particular community or geographic region of the grant applicant.
- 9) A statement of the instructional, promotional and training methods to be used by the grant applicant to meet its stated goals and objectives.
 - 10) A statement of the grant applicant's plans to coordinate its effort with other community groups providing similar or related services, and to cooperate with other community groups, including education groups, volunteer organizations, governmental bodies, private business, and library organizations and a listing of participating agencies.
 - 11) A statement detailing plans to evaluate projects objectives and program accomplishments by the grant applicant, including statistical data and how it is gathered and by whom and when.
 - 12) A statement as to the continuation of the literacy program without further grants.
 - 13) A list of all organizations which are participating agencies in the literacy program project proposed by the grant applicant including signatures of organization representatives.
 - 14) The budget for the literacy project, setting forth the personnel costs, fringe benefits, (e.g., retirement benefits and health insurance) travel costs, equipment purchases, supplies, contractual services, and instructional materials, and any other expense necessary to operate the literacy program proposed in the grant application.
 - 15) A statement as to the time schedule for the completion of project objectives of the literacy program within the grant year.

(Source: Amended at 21 Ill. Reg. 2408, effective FEB 11 1997)

Section 3040.160 Audit Procedures

- a) On or before September 1 of each year, the literacy grant recipient must conduct an audit of the program and its expenditure of the grant funds. Grant funds shall be accounted for using the modified accrual accounting method. The State Library will add funds to budgets of grant recipients to pay for audit costs. The literacy grant recipient shall select an independent certified public accountant to perform the audit in accordance with the United States General Accounting Office Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions (Yellow Book), 1994 revision, no later editions. This document can be obtained through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A copy of this document is also maintained for public inspection at the Illinois State Library, 300 South Second Street, Springfield, Illinois 62701. The results of this audit must be submitted to the State Library, Office of the Secretary of State.

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Failure to conduct the audit or failure to report the results to the State Library shall result in cancellation of any existing grants. The State Library shall withhold 10% of the grant funds until receipt and approval of the final program and financial reports. ~~of the audit~~

- b) A grantee who does not comply with audit requirements will be ineligible to receive funds in any following fiscal year.
- c) The provisions of this Section will not be applicable to entities that fall under the audit authority of the Auditor General of Illinois.
- d) Entities electing to fulfill their audit requirements by submitting a "single audit" of their entity in accordance with the Single Audit Act of 1984 (31 U.S.C.A. Section 7501 et seq.) may do so. However, a schedule of revenues and expenditures for the grant, showing budget and actual amounts, must be included as a supplementary schedule in the audit report. Those entities electing to submit a "single audit" will not be subject to the September 1 deadline indicated in subsection (a) above. Single audits must be submitted within 30 days after release of the single audit report.

(Source: Amended at 21 Ill. Reg. ~~2408~~, effective ~~1-1-88~~)

Section 3040.170 Other Requirements

- a) Testing
 - 1) Plans for pre- and post-testing of students must be attached to the proposal application. The Slosson Oral Reading Test-Revised (SORT-R) must be used in student testing for semi-annual reports submitted to the State Library, Office of the Secretary of State. Programs are encouraged to use additional tests for their own purposes.
 - 2) In the case of English As a Second Language (ESL) projects, professionally accepted tests ~~must~~ should be used, such as the Henderson - Moriarty ESL/Literacy Placement (HELP) List, which can be ordered from Regents/Prentice Hall, Order Department, 200 Old Tappan Road, Old Tappan NJ 07675; the ESLOA Oral Assessment, which can be ordered from Literacy Volunteers of America, Inc. 5795 Widewater Parkway, Syracuse NY 13214; the Comprehensive English Language Skills Assessment (CELSA), which can be ordered from Association of Classroom Teacher Testers, 1136 Clement Street, San Francisco CA 94118; the Test of English Proficiency Level (TEPL), which can be ordered from Language Teacher's Center, P.O. Box 98, The Sea Ranch CA 95497; the Basic English Skills Test (BEST), which can be ordered from Center for Applied Linguistics, 1118 22nd Street, NW, Washington DC 20037; the Foreign Service Institute Oral Proficiency Interview (FSI) (also known as IIR), which can be ordered from ETS, Princeton NJ 08541; the New York State Placement Test (NYS-Place Test), which can be ordered from The University of the State of New York, The State

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Education Department, Division for Program Development, Albany, New York 12234; and the Basic Inventory of Natural Language (BINL), which can be ordered from CHEC point Systems, Inc., 1520 North Waterman Avenue, San Bernardino CA 92404. All tests used must be described in the proposal. Results must accompany semi-annual and final reports.

- 3) In the case of students who enroll for math assistance only, the TABE math test must be used in testing for semi-annual reports submitted to the State Library, Office of the Secretary of State.
- b) ~~Grant funds shall be paid to the literacy program in an amount not to exceed 60% of the total grant for the first of three payments. The second shall be made half-way through the grant period for the balance amount of the approved grant, minus the 10% holdback amount for the audit required by Section 3040.160.~~

b)c) Equipment

- 1) Any equipment purchased by a literacy program from grant funds shall be the property of the State Library.
- 2) Any equipment purchased from grant funds, which equipment is no longer used by the grantee for literacy program purposes, shall be returned to the State Library. The equipment is "transferable property" as defined in Section 1.04 of the State Property Control Act (4317--Rev.--Stat.--1991--ch--127--par--133b4-i) [30 ILCS 605/1.04]. The equipment shall be disposed of pursuant to the State Property Control Act (4317--Rev.--Stat.--1991--ch--127--par--133b1-et-seq) [30 ILCS 605/1-et-seq].
- c)d) No literacy grant program shall purchase with grant funds any equipment without the prior written consent and approval of the State Library. Approval will be granted by the State Library if the grantee demonstrates that the purchase is essential to the program and cannot be funded in any other way.

d)e) No literacy program shall transfer funds within the approved grant budget in excess of 10% of the budget line item from which the funds are transferred, without the prior written approval of the State Library. Approval will be granted by the State Library when justification is shown for why the transfer is necessary and how it will affect the goals and objectives of the project. Unapproved expenditures in excess of 10% of a budget line will not be paid for by the grant.

e)f) Costs for purchase of consultant services will not be allowed in the proposal budget unless the specific expertise required is not available at the applicant's agency or the State Library, Office of the Secretary of State. Justification must be provided if consultant services are purchased and a complete description of the work to be performed must also be provided. The proposed consultant must be mutually acceptable to both the grantee and State Library, Office of the Secretary of State, based on the consultant's prior experience and expertise in literacy programs.

f)g) A literacy grant monitor shall make a minimum of one site visit

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during the fiscal year. Additional site visits may be made at the discretion of the Literacy Office (for such reasons as poor recordkeeping, fiscal irregularities, monitor's/staff's request after viewing narrative reports, request by literacy program). Literacy monitors shall evaluate program effectiveness as directed by the LAB. It shall be the responsibility of the grant monitor to:

- 1) Review the process of the budget.
- 2) Review the grant budget and expenditures in the project to date.
- 3) Verify that the project plan is being implemented according to the proposal approved by the LAB.
- 4) Submit a written report on the progress of the project to the State Library Literacy Office following each site visit.

(Source: Amended at 21 Ill. Reg. 2408, effective 11/13/89)

SUBPART B: WORKPLACE LITERACY PROGRAM

Section 3040.210 Definitions

"Adult Educational Provider" means an education agency, association, library, volunteer or community-based organization, or a coalition thereof which currently provides instruction in literacy to persons 16 years or older who read below a tenth (10th) grade level.

"Adult Employee" means an individual in Illinois who has exceeded the maximum age for compulsory schooling (sixteen), is not currently enrolled in school (Article 26 of the School Code--~~Ill. Stat.~~ ~~1991--ch--122--par--26-1--et--seq~~) ~~§105 ILCS 5/Art. 26-1-et seq~~], and is employed by the business applicant.

"Application" means the written request for a workplace literacy grant submitted to the Literacy Office, Illinois State Library, Office of the Secretary of State pursuant to this Part. Applications shall be submitted by the legal entity responsible for the disbursement of public funds.

"Association" means any organization incorporated under the General Not-for-Profit Corporation Act of 1986 comprised of members with a common purpose and having a structure in conformity with that Act.

"Business" means a private, legal entity which employs workers and is a corporation, a sole proprietorship, a limited liability company, or a partnership.

"Coalition" means a structured cooperative effort between a library system, library or libraries, education agency or agencies, community-based organization or organizations, and association or

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associations, or any combination thereof at the local or regional level.

"Community-based Organization" means a private or public not-for-profit organization, including volunteer organizations, located in an Illinois community, which provides services to citizens within that community and the surrounding area.

"Contractual Agency" means the educational provider(s) with whom the business will contract to perform any or all of the services necessary for the development or implementation of a workplace literacy program.

"Diagnostic Testing" means testing methods which indicate whether an adult employee has visual, auditory, or basic learning disabilities.

"Educational Skills Assessment" means testing methods which measure the ~~approximate--grade--level--of~~ education skills possessed by adult employees, including reading, writing, comprehension, and computation abilities.

"Employer" means a private business, a government, or any entity employing for work purposes two or more persons not members of the employer's immediate family.

"Fiscal Year" means the fiscal year of the State of Illinois.

"Illiteracy" means the inability to read, write, comprehend, and/or compute above the 9.9 grade level.

"Illiterate Employee" means an adult whose minimal skills in reading, writing, comprehension, and/or computation preclude the individual from functioning in the workplace.

"Instructional Materials" means written materials and computer software programs which are used in teaching adult employees basic reading, writing, comprehension, and/or computation skills or which supplement the teaching of such skills.

"LAB" means the Literacy Advisory Board established by Section 7.2 of the State Library Act (~~Ill. Rev. Stat.~~ ~~1991--ch--120--par--107-2~~) ~~§15 ILCS 320/7.2~~].

"Library" means the main facility for a tax-supported public library within an Illinois library system.

"Literacy" means the ability of an individual to read, write, comprehend, and/or compute above the 9.9 grade level.

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"Secretary of State" means the Illinois Secretary of State.

"State Library" means the Illinois State Library, a department of the Illinois Secretary of State established pursuant to the State Library Act (41-Rev-Stat--1991--ch--128--pars--101-et-seq-) (15 ILCS 320/1 et-seq-).

"Workplace Literacy Program" means a structured program which provides direct instructional services in reading, writing, comprehension, and/or computation to adult employees.

(Source: Amended at 21 Ill. Reg. 2408, effective February 14, 1993)

Section 3040.220 Application for Grant

- a) A request for a grant shall be submitted to the Literacy Office in writing postmarked no later than March 15 April--1 for each fiscal year. Applicants shall use the forms prepared and made available by the Secretary of State for this purpose. Applications not submitted on time or on the required forms shall not be considered for funding by the LAB.
- b) Applications shall be submitted to the Literacy Office, Illinois State Library, 431 South Fourth Street, Springfield, Illinois 62701.
- c) Applications shall be reviewed by the LAB. Awards shall be made on or after July 1st for the fiscal year then commencing.
- d) Grants shall not exceed \$10,000 to any one grant applicant.
- e) Applications must be submitted in one (1) original and nine (9) fourteen--(14) copies.
- f) The grant period shall be the fiscal year.
- g) Applications shall include the following information:

- 1) The name and address of the business submitting the grant application.
- 2) The name, title, address and telephone number of the person at the business who will be responsible for administration of the program.
- 3) The name, address, telephone number, Federal Employer Identification Number (FEIN), and signature of the fiscal officer at the business who will receive any approved grant and be responsible for proper safeguarding of the grant funds. If a government employer does not have a FEIN, then some other identifying number must be given.
- 4) The term of the workplace literacy program.
- 5) The total amount of grant money requested for the workplace literacy program.
- 6) The total amount of funds which the business applicant will contribute to the workplace literacy program as a matching contribution, including personnel, equipment, supplies,

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instructional materials and other related expenditures, but not to include overhead costs such as space, heat, lights and furniture.

- 7) A Certification of Assurance signed by the Fiscal Officer which indicates that the business applicant has sufficient funds to pay the business matching share of the program cost.
- 8) A brief and explicit statement of the purpose and goals of the workplace literacy program.
- 9) A detailed statement of the plan of operation of the workplace literacy program and the proposed timeline for achieving objectives and goals including the anticipated number of employees who will be involved, and whether the proposed plan will include an educational skills assessment, development of a workplace literacy program, implementation of a workplace literacy program, support services for a workplace literacy program, or all of the above.
- 10) A statement about the adult educational provider(s) with whom the business applicant will contract to provide services necessary for the successful operation of the workplace literacy program including the name and address of the contracting agency, the name and telephone number of the agency party who will sign the contractual agreement and be responsible for obligations agreed upon in the contract, and a brief description of the agency or organization, specifically its qualifications for providing the agreed upon contractual services.
- 11) A statement outlining where workplace literacy program activities will take place and how often.
- 12) A statement detailing plans to evaluate the workplace literacy program including the types of records which will be kept, the person who will be responsible for maintaining such records, and the person who will be responsible for evaluating the progress and outcome of the workplace literacy program.
- 13) A statement of assurances signed by the Fiscal Agent of the business and the Fiscal Agent of the adult educational provider that the terms of the contract are mutually agreeable and the services described in the contract will be provided.
- 14) A statement of plans for continuation of the workplace literacy program, where needed as determined by the business applicant, after grant funds have been expended.

(Source: ~~Amended~~ at 21 Ill. Reg. 2408, effective February 14, 1993)

Section 3040.240 Award of Grant, Financial Reports, and Program Progress Reports

- a) The LAB will make a recommendation to the Secretary of State as to which grant applications shall be approved and the amount of public

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funds to be awarded to fund each grant application based upon the criteria in Section 3040.230.

- b) The LAB shall make its recommendations by July 1 for each Fiscal Year.
- c) The Secretary of State shall make his or her final decision upon each recommendation as soon as possible within 60 days after the recommendation is presented to the Secretary. The Secretary of State shall approve or disapprove the recommendations of the Literacy Office based upon whether the Secretary determines the recommendations to be consistent with Section 5 of the State Library Act (1991-Rev. Stat. 1991-CH-128-PAR-1057) (15 ILCS 320/5) and this Part.
- d) The final approved grant application and the funding determination shall constitute the Workplace Literacy Grant Determination, which shall be a public record, as shall be the grant applications, whether approved or not, and shall be subject to disclosure pursuant to the Freedom of Information Act (1991-Rev. Stat. 1991-CH-116-PAR-201 et seq.) (5 ILCS 140/1 et seq.) and the rules of the Secretary of State found at 2 Ill. Adm. Code 551.

- e) Approved grant applicants shall submit to the Literacy Office the following reports: quarterly financial reports; midterm and final program progress reports.

- 1) The quarterly financial reports shall state the amount of money expended to date in each line item of the approved program budget and the amount of money expended to date by the business applicant as matching funds.

- 2) The midterm and final program progress reports shall state, at least:

- A) For an employee educational assessment, the number of employees tested, the method of testing used, the number of hours spent in testing, the results of that testing, the need for instructional services indicated as a result of that testing, if any, and the plans of the business applicant for addressing that need.

- B) For development of plans for a workplace literacy program, the target number of employees to be served, how this number was determined, where employees will receive instruction, the target number of hours for employees instruction, the method of instruction which will be provided, the amount of release time which will be allowed for employees who receive instruction, if any, and when the workplace literacy program will begin.

- C) For implementation of a workplace literacy program, the number of employees served to the date of the report, the net gain in education skills level of each employee receiving instruction, pre- and post-test scores of each employee receiving instruction, the number of hours each employee has spent in instruction, and the amount of release time allowed employees who have received instruction.

- D) For support services provided to a workplace literacy

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program, the type and extent of services rendered, the number of employees served through the support services, and the impact of support services on the workplace literacy program.

- E) For all types of contractual services listed above, what has been the most positive outcome of the services, what problems, if any, have occurred in the delivery of these services, and to what extent the goals and objectives of these services have been met to the date of the report.

- 3) Failure to submit the required reports shall be cause for cancellation of the grant. Grant recipients shall receive one thirty (30) day notice requesting compliance with this Section before the grant shall be cancelled.

- f) The final financial and program progress reports shall be submitted by each grant recipient to the Literacy Office on or before July 15 of each calendar year for the previous Fiscal Year's program.

- g) The decision of the Secretary of State upon any grant application shall be a final decision for the purpose of the Administrative Review Law (1991-Rev. Stat. 1991-CH-110-PAR-3-101 et seq.) (735 ILCS 5/Art. III 3-101).

(Source: Amended at 21 Ill. Reg. 2408, effective

FEB 14 1992)

SUBPART C: FAMILY LITERACY PROGRAM

Section 3040.330 Grant Applications

- a) Application requirements, including criteria, will be made available by the Illinois State Library by January March 15 for the ensuing year. The maximum grant amount, if any, shall be specified in the requirements. The Illinois State Library Advisory Committee shall provide assistance in developing the criteria for the grants. Applications shall be submitted to the Illinois State Library on or before March 15 May-2 for the ensuing year. Applications not submitted on time or on the required forms shall not be considered for funding.

- b) Grant criteria may include but are not limited to the following:
 - 1) Documented concentration of families with children at risk in the project area.

- 2) Involvement of a paid staff person to coordinate all aspects of the program.

- 3) A focus on reciprocal learning activities involving parents and children together.

- 4) The use of volunteers in the program.

- c) Applications shall include the following information, at a minimum:

- 1) The name and address of the applicant.
- 2) The name and telephone number of the applicant's director or

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- executive officer.
- 3) The name, address, telephone number, and signature of the applicant's fiscal officer, who will receive any approved grant and be responsible for the grant funds.
 - 4) The beginning and ending dates of the family literacy program.
 - 5) The total amount of grant money requested for the family literacy program.
 - 6) A brief and explicit description of the program's goals and objectives and how the goals and objectives address the grant criteria included in the application requirements.
 - 7) A statement supported by statistics detailing the need for the literacy program in the particular community or geographic region of the grant applicant.
 - 8) A statement of the methods to be used by the grant applicant to meet stated goals and objectives.
 - 9) A statement of the applicant's plans to coordinate its efforts with other agencies cited in Section 3040.320 300-320 of this Part. The specific names of the other agencies to be involved in the program shall be cited along with a statement or letter from the agencies stating their responsibility to the program.
 - 10) A statement detailing plans to evaluate the program's objectives and accomplishments.
 - 11) A statement on how the program will be continued without further grants.
 - 12) The budget for the literacy program, including revenue sources, expenditures by category (personnel, fringes, travel, equipment purchases, supplies, contractual services, and other), and local financial and in-kind support for the project.
- d) Applications shall be reviewed by the State Library staff in accordance with the criteria and requirements set forth in the application packet. When appropriate, the Director of the State Library may appoint a committee to assist in reviewing applications; such committee shall include membership from those types of agencies that are eligible to apply for the funds as defined in Section 3040.320 of this Part. The decision of the State Librarian is final.
- e) The number of grants to be awarded is at the discretion of the State Librarian, within the confines of available funding.

(Source: Amended at 21 Ill. Reg. 2403, effective 1/1/83)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: The Administration and Operation of the Teachers' Retirement System
- 2) Code Citation: 80 Ill. Adm. Code 1650
- 3) Section Numbers: Adopted Action:

1650.210	Amendment
1650.240	Amendment
1650.310	Amendment
1650.340	Amendment
1650.341	New Section
1650.345	New Section
1650.350	Amendment
1650.355	New Section
1650.380	New Section
1650.390	New Section
1650.410	Amendment
1650.460	Amendment
1650.560	Amendment
1650.590	New Section
- 4) Authority: Implementing and authorized by Article 16 of the Illinois Pension Code [40 ILCS 5/Art. 16]; Freedom of Information Act [5 ILCS 140]; Section 401(a)(31) of the Internal Revenue Code [26 U.S.C. 401(a)(31)]; Section 5-15 of the Illinois Administrative Procedure Act [5 ILCS 100/5-15].
- 5) Effective Date of Rules: January 31, 1997
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these rules contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: January 23, 1997
- 9) Notice of Proposal Published in Illinois Register: November 8, 1996, 20 Ill. Reg. 14368
- 10) Has JCAR issued a Statement of Objections to these rules? No
- 11) Differences between proposal and final version: Only grammatical changes were made.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these rules replace an emergency rule currently in effect? No

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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14) Are there any amendments pending on this Part? Yes

15) Summary and Purpose of Rules:

1650.210 - Subsection (a) amended to clarify physician's certificate refers to certificate of death. Subsection (d) amended to remove repetitious language regarding what constitutes satisfactory evidence of an employment agreement. Subsection (i) amended to define when a member electing to receive annuity payments through direct deposit becomes an annuitant.

1650.240 - Subsection (a) amended to delete "escheat of a warrant" as a basis for determining when a refund is deemed accepted and membership in the System terminates. TRS can retrieve the funds from an escheated warrant and reissue a new warrant. It was felt it was unfair to penalize a member by denying a member a refund under this circumstance.

1650.310 - Subsection (c) added to define the effective date of membership for members who purchase military service not immediately following employment.

1650.340 - Subsection (a) amended to clarify when a member meets the return-to-teaching requirement for leave of absence optional service credit. Subsections (c) and (d) dealing with involuntary layoffs deleted and restated in new rule (see 1650.341 below).

1650.341 - New Section added to deal specifically with service credit for involuntary layoffs.

1650.345 - New Section added to clarify service credit for periods away from teaching due to pregnancy, based on the recent addition of Section 16-127(b)(5)(iii) to Article 16 of the Pension Code.

1650.350 - Subsection (a) amended to further define when excess sick leave is available for use and reportable to the System. Subsection (d) amended to further define the circumstances when personal days are reportable as sick days.

1650.355 - New Section added to specify the required minimum payment for purchase of optional service.

1650.380 - New Section added to specify actuarial assumptions as required by Section 401(a)(25) of the Internal Revenue Code.

1650.390 - New Section added to deal with independent contractors exempt from System membership or post-retirement work limits governing annuitants.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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1650.410 - Last sentence of subsection (b) deleted to reflect determination that the System is not statutorily authorized to pay interest on optional service unable to be used by the member at retirement.

1650.460 - New subsection (c) added to specify the beginning and ending dates of a school year for average salary calculation purposes. Remaining subsections relettered accordingly.

1650.560 - Amended to further clarify the documentation needed to process survivor claims.

1650.590 - New Section added to deal with collecting debts owed the System by referral to the Office of the Comptroller for offset.

16) Information and questions regarding these adopted amendments shall be directed to:

Carl R. Mowery, General Counsel
Erin E. Smith, Legal Assistant
Teachers' Retirement System
2815 West Washington
P.O. Box 19253
Springfield, IL 62794-9253
(217) 753-0961

The full text of the Adopted Amendments begins on the next page:

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

NOTICE OF ADOPTED AMENDMENTS

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES

SUBTITLE D: RETIREMENT SYSTEMS

CHAPTER III: TEACHERS' RETIREMENT SYSTEM OF
THE STATE OF ILLINOIS

PART 1650

THE ADMINISTRATION AND OPERATION OF THE
TEACHERS' RETIREMENT SYSTEM

SUBPART A: REPORTS BY BOARD OF TRUSTEES

Section
1650.10 Annual Financial Report (Repealed)

SUBPART B: BASIC RECORDS AND ACCOUNTS

Section
1650.110 Membership Records
1650.120 Claims Records (Repealed)
1650.130 Individual Accounts (Repealed)
1650.140 Ledger and Accounts Books (Repealed)
1650.150 Statistics (Repealed)
1650.160 Confidentiality of Records
1650.180 Filing and Payment Requirements
1650.181 Early Retirement Incentive Payment Requirements
1650.182 Waiver of Additional Amounts Due
1650.183 Definition of Employer's Normal Cost

SUBPART C: FILING OF CLAIMS

Section
1650.210 Claim Applications
1650.220 Reclassification of Disability Claim (Repealed)
1650.230 Medical Examinations and Investigations of Claims
1650.240 Refunds; Impermissible Refunds; Canceled Service; Repayment
1650.250 Death Benefits
1650.260 Evidence of Age
1650.270 Reversionary Annuity - Evidence of Dependency
1650.271 Evidence of Parentage
1650.272 Eligible Child Dependent By Reason of a Physical or Mental
Disability
1650.280 Evidence of Marriage
1650.290 Offsets

SUBPART D: MEMBERSHIP AND SERVICE CREDITS

Section
1650.310 Effective Date of Membership

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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1650.320 Method of Calculating Service Credits
1650.325 Method of Calculating Service Credit for Recipients of a Disability
Benefit or Occupational Disability Benefit
1650.330 Duplicate Service Credit
1650.340 Service Credit for Leaves ~~Leave~~ of Absence ~~or-involuntary-layoffs~~
1650.341 Service Credit for Involuntary Layoffs
1650.345 Service Credit for Periods Away From Teaching Due to Pregnancy
1650.350 Service Credit for Unused Accumulated Sick Leave Upon Retirement
1650.355 Purchase of Optional Service - Required Minimum Payment
1650.360 Service and Earnings Credit Obtained Pursuant to Labor Contract
Litigation
1650.370 Calculation of Average Salary (Renumbered)
1650.380 Definition of Actuarial Equivalent
1650.390 Independent Contractors

SUBPART E: CONTRIBUTION CREDITS AND PAYMENTS

Section
1650.410 Refunds for Duplicate or Noncreditable Service
1650.420 Interest on Deficiencies (Repealed)
1650.430 Installment Payments (Repealed)
1650.440 Small Deficiencies, Credits or Death Benefit Payments
1650.450 Definition of Salary
1650.451 Reporting of Conditional Payments
1650.460 Calculation of Average Salary
1650.470 Rollover Distributions

SUBPART F: RULES GOVERNING ANNUITANTS AND BENEFICIARIES

Section
1650.505 Beneficiary (Repealed)
1650.510 Re-entry Into Service
1650.520 Suspension of Benefits
1650.530 Power of Attorney
1650.540 Conservators/Guardians
1650.550 Presumption of Death
1650.560 Benefits Payable on Death
1650.570 Survivors' Benefits
1650.580 Evidence of Eligibility
1650.590 Comptroller Offset

SUBPART G: ATTORNEY GENERALS' OPINION

Section
1650.605 Policy of the Board Concerning Attorney Generals' Opinion (Repealed)

SUBPART H: ADMINISTRATIVE REVIEW

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

NOTICE OF ADOPTED AMENDMENTS

Section
 1650.610 Staff Responsibility
 1650.620 Right of Appeal
 1650.630 Form of Written Request
 1650.640 Prehearing Procedure
 1650.650 Hearing Procedure
 1650.660 Rules of Evidence

SUBPART I: AMENDMENTS TO BYLAWS AND RULES

Section
 1650.710 Amendments

SUBPART J: RULES OF ORDER

Section
 1650.810

Parliamentary Procedure

SUBPART K: FREEDOM OF INFORMATION ACT REQUESTS

Section
 1650.910

Summary and Purpose
 Definitions
 1650.920 Submission of Requests
 1650.930 Form and Content of FOIA Requests
 1650.940 Appeal of a Denial
 1650.950 Executive Director's Response to Appeal
 1650.960 Response to FOIA Requests
 1650.970 Inspection of Records at System Office
 1650.980 Copies of Public Records
 1650.990 Materials Available Under Section 4 of FOIA
 1650.995

SUBPART L: BOARD ELECTION PROCEDURES

Section
 1650.1000

Nomination of Candidates
 1650.1010 Petitions
 1650.1020 Eligible Voters
 1650.1030 Election Materials
 1650.1040 Marking of Ballots
 1650.1050 Return of Ballots
 1650.1060 Observation of Ballot Counting
 1650.1070 Certification of Ballot Counting
 1650.1080 Challenges to Ballot Counting

AUTHORITY: Implementing and authorized by Article 16 of the Illinois Pension Code [40 ILCS 5/Art. 16]; Freedom of Information Act [5 ILCS 140]; Internal Revenue Code (26 U.S.C. 1, et seq.); Section 5-15 of the Illinois

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Administrative Procedure Act [5 ILCS 100/5-15].

SOURCE: Filed June 20, 1958; emergency rules adopted at 2 Ill. Reg. 49, p. 249, effective November 29, 1978, for a maximum of 150 days; adopted at 3 Ill. Reg. 9, p. 1, effective March 3, 1979; codified at 8 Ill. Reg. 16350; amended at 9 Ill. Reg. 20885, effective December 17, 1985; amended at 12 Ill. Reg. 16896, effective October 3, 1988; amended at 14 Ill. Reg. 18305, effective October 29, 1990; amended at 15 Ill. Reg. 16731, effective November 5, 1991; amended at 17 Ill. Reg. 1631, effective January 22, 1993; amended at 18 Ill. Reg. 6349, effective April 15, 1994; emergency amendment at 18 Ill. Reg. 8949, effective May 24, 1994, for a maximum of 150 days; emergency modified at 18 Ill. Reg. 12880; amended at 18 Ill. Reg. 15154, effective September 27, 1994; amended at 20 Ill. Reg. 3118, effective February 5, 1996; emergency amendment at 21 Ill. Reg. 483, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. ~~2422~~ ^{JAN 3 1997} effective ~~1/1/97~~ ^{1/1/97}.

SUBPART C: FILING OF CLAIMS

Section 1650.210 Claim Applications

- a) Any individual claiming a retirement annuity, a disability retirement annuity, a survivor benefit, a disability benefit or an occupational disability benefit shall file an application therefor in the form prescribed by the System. This application, together with the membership record, and such other information as may have been compiled during the membership of the member or submitted by the applicant shall constitute the complete record forming the basis of the claim. An application for survivor benefits shall be accompanied by a certified copy of the death certificate, other public record of death, or a physician's certificate of death.
- b) When 90 or more days have elapsed subsequent to the commencement of a member's disability, oral or written notification of the disability shall be deemed sufficient to commence accrual of benefits. Provided, however, if the System fails to receive the documentation required by Section 16-149 or Section 16-149.1 of the Act within six months of the initial notification, no benefits shall accrue until all required documentation is received by the System.
- c) Disability benefits become payable the later of:
- 1) The 31st calendar day after commencement of absence due to disability;
 - 2) Upon exhaustion of the member's sick leave or (if sick leave is not paid by the employer) when the sick leave would have been exhausted had the member been paid; or
 - 3) The date the System receives notification of disability if more than 90 days have elapsed from the later of:
 - A) commencement of disability; or
 - B) the last day for which salary (including sick leave pay) is payable, whether or not these days are actually paid.

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- d) When an individual claiming disability benefits is employed under an agreement for less than 12 full months, neither the 31-day waiting period nor the utilization of sick leave requirement, as contained in subsection (c) above, is satisfied during periods not covered by the agreement. For purposes of granting disability benefits it will be presumed that all employment agreements cover one full school term and are automatically renewable at the commencement of the next school term. Satisfactory evidence must be presented of an employment agreement covering a longer period than a full school term (e.g., 10, 11 or 12 months). ~~Satisfactory evidence will consist of a written statement from the employer.~~

- e) Occupational disability benefits become payable the later of:

- 1) The date after the last day for which salary is paid; or
- 2) The date the System receives notification of disability if more than 90 days have elapsed from the later of:

A) the commencement of the disability; or

B) the last day for which salary is paid.

- f) Death after receipt by the System of an application for a retirement annuity and any outstanding payments is deemed to be a death out of service when calculating survivor benefits.

- g) A member may request, in writing, a transfer from a disability benefit to an age retirement annuity or a disability retirement annuity prior to the expiration of the eligible period for disability benefits. The effective date of such annuities shall be the first of the month following receipt of the request. A member receiving a disability retirement annuity may, any time after becoming eligible for age retirement, request in writing a transfer to an age retirement annuity. The effective date of the age retirement annuity will be the first day of the month following receipt of the written request for such transfer.

- h) Whenever a member because of employment becomes ineligible to receive a disability benefit, disability retirement annuity or occupational disability benefit but is subsequently disabled for the same cause within 90 days, benefits shall be reinstated at the previous rate upon written application. Benefits will commence the day following the last day the member is eligible to receive salary. If more than 90 days have elapsed, benefits shall be reinstated based on the greater of the member's most recent annual contract salary rate at the time the disability benefit becomes payable or the member's annual contract rate on the date the disability commenced.

- i) A member becomes an annuitant of the System upon cashing the first retirement annuity payment or ten calendar days after upon the date the first retirement annuity payment is deposited in the designated member's bank account by electronic funds transfer.

(Source: Amended at 21 Ill. Reg. 2422, effective

JAN 3 1994)

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Section 1650.240 Refunds; Impermissible Refunds; Canceled Service; Repayment

- a) Any member eligible to receive a refund of contributions pursuant to the provisions of Section 16-151 of the Act shall, if he or she so elects, make a written request therefor upon a form prescribed by the System. A refund is deemed accepted and membership in the System terminates upon the cashing of a refund warrant ~~or the escheat of a warrant.~~
- b) To be credited toward the calculation of a retirement annuity, survivors benefit, or disability benefit, the service canceled by such refund must have been re-established in accordance with the provisions of the Act, by repayment of the refund in full, including statutory interest, prior to the member's retirement, death, or commencement of disability benefits.
- c) Whenever the System determines that there has been a refund not in accordance with the provisions of the Act (an "impermissible refund"), whatever the reason, it shall record such refund as an optional service receivable, with interest at the statutory rate accruing on any unpaid balance from date of refund until date of repayment, and shall notify the member of the amount due.
- d) A member who received an impermissible refund, who does not wish to re-establish the service canceled thereby, may retire without paying the amount due but is barred from making repayment and adding the service credit after retirement.
- e) A member receiving a disability benefit under the provisions of Section 16-149 of the Act is not eligible to receive a refund of contributions until four months following the date for which disability benefits are last paid.

(Source: Amended at 21 Ill. Reg. 2422, effective JAN 3 1994)

SUBPART D: MEMBERSHIP AND SERVICE CREDITS

Section 1650.310 Effective Date of Membership

- a) The effective date of membership in the System shall be the date of employment by an employer, as recorded by the employer.
- b) In the absence of a record of the date of employment in the official proceedings of the qualifying employer, the date of membership shall be the first payroll day for which contributions were required.
- c) For purposes of calculating the required contributions to purchase military service not immediately following employment under the provisions of 40 ILCS 5/16-128(a)(iii), the date of first membership shall be defined as July 1 of the first year of System contributing service.

(Source: Amended at 21 Ill. Reg. 2422, effective

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JAN 31 1987

Section 1650.340 Service Credit for Leaves Leave of Absence or Involuntary Layoffs

- a) For purposes of granting service credit for an approved leave of absence, the statutory return-to-teaching requirement is met when the member returns to teaching service creditable under this System or the State Universities Retirement System for the period of the leave or one year, whichever is less ~~establishes credit with this System or the State Universities Retirement System for at least the lesser of the creditable period of the leave or one year.~~
- b) For purposes of this Section, a leave of absence is creditable as an approved leave if: the member did not resign, the employer promised renewed employment at the end of the leave, and the employer through its board took official action to approve the request for leave, or the leave qualifies as a leave under the Family and Medical Leave Act, as certified by the employer.
- c) ~~For purposes of this Section, involuntary layoffs shall not include dismissals for cause or other performance-related reasons; the statutory return-to-teaching requirement is met when the member establishes credit with this System or the State Universities Retirement System for at least the lesser of the creditable period of the layoff or one year.~~
- d) ~~For purposes of this Section, a layoff occurs when there is a termination of paid employment due to lack of work, lack of funds, abolition of a position, or a material change in duties or organization.~~

(Source: Amended at 21 Ill. Reg. 2422, effective JAN 31 1987)

Section 1650.341 Service Credit for Involuntary Layoffs

- a) For purposes of this Section, involuntary layoffs shall not include dismissals for cause or other performance-related reasons. The statutory return-to-teaching requirement is met when the member establishes credit with this System or the State Universities Retirement System for at least the lesser of the creditable period of the layoff or one year.
- b) For purposes of this Section, a layoff occurs when there is a termination of paid employment due to lack of work, lack of funds, abolition of a position, or a material change in duties or organization.

(Source: JAN 31 1987, at 21 Ill. Reg. 2422, effective JAN 31 1987)

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Section 1650.345 Service Credit for Periods Away From Teaching Due to Pregnancy

- a) Service credit of up to three years shall be granted for periods beginning prior to July 1, 1983, during which a teacher ceased covered employment due to pregnancy.
- b) For purposes of determining eligibility to receive optional service credit under the provisions of 40 ILCS 5/16-127(b)(5)(iii), the following definitions shall apply:
- 1) "Pregnancy" shall mean the period beginning at the moment of conception and continuing through termination of the pregnancy or delivery of the child.
 - 2) "Due to pregnancy" shall mean due to the state of being pregnant and recovery therefrom due to the termination of a pregnancy or due to the delivery of a child.
 - 3) "Covered employment" means employment in a position requiring membership contributions to the System as a condition of employment.
 - 4) "Teaching service creditable under this System or the State Universities Retirement System" means employment in a position requiring membership contributions to the System or the State Universities Retirement System as a condition of employment.
- c) The documents necessary to establish service credit under this Section shall include:
- 1) School employment records;
 - 2) Medical records;
 - 3) Birth or death certificates; and/or
 - 4) Other documentation, such as corroborating affidavits, that are based upon actual knowledge and are sufficiently specific as to times, dates, places and surrounding circumstances so that the proof of service submitted to the System reliably documents the service to be established while eliminating the possibility of mistake or fraud.
- d) For purposes of granting service credit for periods away from teaching due to pregnancy, the statutory return-to-teaching requirement is met when the member returns to teaching service creditable under this System or the State Universities Retirement System for the period the member was away from teaching due to pregnancy or one year, whichever is less.

(Source: Added at 21 Ill. Reg. 2422, effective JAN 31 1987)

Section 1650.350 Service Credit for Unused Accumulated Sick Leave Upon Retirement

- a) To be creditable for retirement purposes, sick leave days must actually be available for use by a member in the event of illness.

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Service credit is not available and shall not be computed for sick leave days added to the record of a member for the purpose of increasing a member's retirement service credit. To determine if any sick leave days granted by an employer in excess of the member's normal annual sick leave allotment during a member's final years of employment are actually available for use and reportable to the System as service credit, the System shall apply the following formula:

- 1) from the date upon which the sick leave days were granted, the number of days remaining in the school term or the member's employment agreement, whichever is greater, until termination shall be determined;
- 2) from the resulting number of days the System shall subtract the number of sick leave days previously accrued by the member; and
- 3) the difference is the maximum number of sick leave days that may be reported in addition to those days previously accrued, provided that the employer will allow the member to use such days in the event of illness prior to termination.

- b) Unused and uncompensated sick leave days are not eligible for service credit at retirement when the member receives direct compensation for such days. Direct compensation means payment of salary, wages, fringe benefits, contributions, bonuses and lump sum payments before or after retirement. Notwithstanding the foregoing provisions of this subsection (b), a member is not deemed compensated if his or her employer maintains or establishes a reward system (based upon daily attendance of employees) which pays additional benefits to a member (including but not limited to salary) and which does not reduce the accumulated sick leave days available for use and credited to the member by the employer. Effective July 1, 1998 1997, if a member receives payment of any kind for accumulated sick leave days before or after termination, no service credit shall be available for the days so compensated.

- c) For purposes of calculating a retirement annuity, the System shall not grant service credit for any days withdrawn by the member from a sick leave bank in excess of the days deposited therein and unused by the member.

- d) Accumulated personal leave days are governed by the same standards set forth in subsections subsection (a) and (b) above for sick leave days, but only if they were actually available for use by a member in the event of illness.

- e) Accumulated, unused vacation days are not creditable with the System.

(Source: Amended at 21 Ill. Reg. 2422, effective JAN 31 1997)

Section 1650.355 Purchase of Optional Service - Required Minimum Payment

The required minimum payment upon a member's outstanding optional service account balance shall be \$50.00 or the balance due, whichever is less.

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JAN 31 1997

(Source: Added at 21 Ill. Reg. 2422, effective JAN 31 1997)

Section 1650.380 Definition of Actuarial Equivalent

"Actuarial equivalent" as defined in Section 16-122 of the Illinois Pension Code [40 ILCS 5/16-122] shall mean a benefit or sum of equal value to another benefit or sum when computed on the basis of:

- a) the UP 1984 Mortality Table with the ages of primary annuitants set back six years and the ages of contingent annuitants set back six years; and
- b) interest at 8% per annum, compounded annually.

(Source: Added at 21 Ill. Reg. 2422, effective JAN 31 1997)

Section 1650.390 Independent Contractors

Any individual claiming to be an independent contractor exempt from System membership or the post-retirement work limits governing annuitants as set forth in 40 ILCS 5/16-118 must file Form SS-8 (Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding) with the Internal Revenue Service (IRS) seeking confirmation of independent contractor status. An IRS Form SS-8 independent contractor determination must be filed with the System before an individual can be considered to be exempt from System membership or Article 16 post-retirement work limits.

(Source: Added at 21 Ill. Reg. 2422, effective JAN 31 1997)

SUBPART E: CONTRIBUTION CREDITS AND PAYMENTS

Section 1650.410 Refunds for Duplicate or Noncreditable Service

- a) In the event contributions to the System are made in error for service covered by another public employee pension system in Illinois, a refund of such contributions shall be made.

- b) If a member contributes to the System for optional teaching service, but is unable to claim all of this service at the date of retirement or death because the service is determined to be noncreditable (for example, when the member's service record at retirement or death causes the optional service to be excess service, based on the statutory limits on the allowed proportion of out-of-system to regular service), then a refund of contributions for such service shall be paid to the member or the member's beneficiaries. Regular interest as defined in Section 16-112 of the Act shall be paid for the period from the date of payment of contributions for optional teaching service to the end of the month in which the refund is processed.

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(Source: Amended at 21 Ill. Reg. 2422, effective JAN 3 1997)

Section 1650.460 Calculation of Average Salary

- a) The member's annual salary rate shall be used by the System when calculating average salary. If a member has a full year of service credit and the annual salary includes leave of absence earnings and substitute earnings or part-time noncontractual earnings, the annual salary rate for average salary purposes will never be less than the salary rate the leave of absence earnings is based upon. If a member receives less than one year of service credit in any school year, salary shall consist of creditable earnings.
- b) The highest four consecutive school years of service within the last ten years of creditable service shall be deemed the four highest consecutive credit years posted to the member's account. Provided, however, if a member is credited with less than one school year, the System shall use partial consecutive years to establish four consecutive years of salary.
- c) For average salary calculation purposes, a school year is the period July 1 to the following June 30.
- d) When a member's employer consolidates or annexes with another employer, the consolidation or annexation shall not constitute a change of employer and the average salary shall be computed as though all salary were earned under the same employer.
- e) Where there are creditable earnings for less than a full year of service credit, and those earnings are used in the calculation of the average salary, the annual salary rate for those earnings is considered in the calculation of any member and employer contributions under Sections 16-133.2, 16-133.3, 16-133.4 and 16-133.5 of the Act.

(Source: Amended at 21 Ill. Reg. 2422, effective JAN 3 1997)

SUBPART F: RULES GOVERNING ANNUITANTS AND BENEFICIARIES

Section 1650.560 Benefits Payable on Death

Survivor benefits, if applicable, shall be paid in accordance with the applicable provisions of Article 16 law in effect on the date of the member's or annuitant's death. If the member or annuitant has failed to name a beneficiary, money is due no beneficiary named, and no administration of the estate is desired or required, then, upon satisfactory proof of death, the System may make payment through a small estate affidavit provided the requirements of 755 ILCS 5/Art. 25 are met. The small estate affidavit is acceptable by the System if the assets of the estate are less than \$50,000 in value. If the assets of the estate are equal to or greater than the limit allowed for small estate affidavits \$50,000 in value, letters of administration

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or proof of heirship deemed reliable by the System shall ~~will~~ be required by the System in order to process any death benefits. ~~Whenever death benefits are payable to persons not located, the System shall pay those moneys to the estate or other designated beneficiaries upon receipt of an indemnifying bond.~~

(Source: Amended at 21 Ill. Reg. 2422, effective JAN 3 1997)

Section 1650.590 Comptroller Offset

Prior to the referral of any debt owed the System to the Office of the Comptroller for collection through the Comptroller Offset System as authorized under Section 10.05 of the State Comptroller Act [15 ILCS 405/10.05] and Section 5 of the Illinois State Collection Act [30 ILCS 210/5], the System shall provide the debtor:

- Written notice that the debt is being referred to the Comptroller for offset. The notice shall set forth the amount of and basis for the debt. The notice shall further advise the debtor of the debtor's right to a hearing to contest the debt by filing a written request with the System within 30 days after receipt of the notice by the debtor. Failure to request a hearing within the 30 days provided shall terminate any right to a hearing before the System;
- A hearing with the System, if requested by the debtor, to allow the debtor an opportunity to establish the debt has been paid or is not owed. The hearing shall be held before a three-member panel consisting of the System's Controller, Deputy Director of Benefits and Manager of Accounting, or their designees; and
- A written decision advising the debtor of the basis for the panel's decision.

(Source: Added at 21 Ill. Reg. 2422, effective JAN 3 1997)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF EMERGENCY AMENDMENTS

- 1) Heading of the Part: Emergency Medical Services and Trauma Center Code
- 2) Code Citation: 77 Ill. Adm. Code 515
- 3)

<u>Section Numbers:</u>	<u>Adopted Action:</u>
515.100	New Section
515.210	New Section
515.220	New Section
515.230	New Section
515.2050	New Section
515.2090	New Section
515.3000	New Section
- 4) Statutory Authority: Emergency Medical Services (EMS) Systems Act [210 ILCS 50]
- 5) Effective Date of Emergency Amendments: January 31, 1997
- 6) If this emergency rule is to expire before the end of the 150 day period, please specify the date on which it is to expire: N/A
- 7) Date Filed in Agency's Principal Office: January 31, 1997
- 8) Reason for Emergency: Public Act 89-177 (effective July 19, 1995) substantially revised the Emergency Medical Services (EMS) Systems Act, necessitating the repeal of the Department's existing rules and the adoption of new rules.

The Department published proposed amendments implementing the Emergency Medical Services (EMS) Systems Act [210 ILCS 50] on August 30, 1996. The rulemaking was considered at the January 21, 1997, meeting of the Joint Committee on Administrative Rules. At that time, the Joint Committee voted to extend the second notice period for the rulemaking for an additional 45 days, until March 16, 1997, to allow the Department and the Illinois Ambulance Association to resolve issues concerning ambulance licensing requirements.

The revised law created an EMS Assistance Fund into which fines and fees collected by the Department are deposited, as well as supplemental registration fees collected pursuant to Section 3-821.1 of the Illinois Vehicle Code. The moneys in the Fund are to be distributed to resource hospitals for education-related expenses incurred by the EMS System's hospitals and to the EMS Regions for disbursement in accordance with protocols established in the EMS Region Plans. The Department distributes the funds in accordance with an appropriation from the General Assembly. The appropriation for Fiscal Year 1997 is \$500,000. If the funds are not distributed before the end of the fiscal year, the Department cannot distribute any funds until they are appropriated again by the General

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Assembly.

The Trauma Center Fund existed under the previous law. However, the formula for distribution of funds is no longer set forth in the Act. Instead, the Act requires the formula to be based on factors identified in the Department's rules. Distribution of these funds is essential for the continued provision of trauma care in Illinois. The Trauma Center Fund currently contains \$2.5 million.

To ensure that funds in the EMS Assistance Fund and the Trauma Center Fund are distributed, the Department is adopting emergency amendments that will enable EMS Regions and Trauma Centers to receive funds accumulated during Fiscal Year 1997. Applications for funds in the EMS Assistance Fund must be received by the Department no later than April 1, 1997, to allow sufficient time for review of applications and distribution of funds. Moneys in the Trauma Center Fund are allocated proportionally to EMS Regions based on a formula set forth in the rules. The impending loss of these funds threatens the health and safety of all Illinois residents who could potentially receive emergency medical services. EMS Systems and Trauma Centers are badly in need of these funds to continue to provide EMS services. The Sections being adopted by this emergency action are not among those included in the Joint Committee's concerns regarding ambulance licensure issues.

9) A Complete Description of the Subjects and Issues Involved:

Section 515.100 sets forth definitions of terms used in this Part.

Sections 515.210, 515.220, and 515.230 establish requirements for the development and content of EMS Regional Plans and for the resolution of disputes concerning the Plans. Establishment of EMS Regional Plans and the creation of Regional EMS Advisory Committees, which is part of the EMS Regional Plan, are necessary for the distribution of moneys in the EMS Assistance Fund.

Section 515.2050 sets forth trauma center reporting requirements. Data submitted by the trauma centers are used by the Department to distribute funds in the Trauma Center Fund.

Section 515.2090 sets forth the distribution formula for the Trauma Center Fund.

Section 515.3000 governs administration of the EMS Assistance Fund, including application and reporting requirements, emergency awards, procedures for modifying a grant agreement, and criteria used by the Department in awarding grants. Applications for 1997 are due by April 1, 1997.

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NOTICE OF EMERGENCY AMENDMENTS

10) Are there any proposed amendments to this Part pending? Yes

If Yes:

Section Numbers	Proposed Action	Ill. Reg. Citation
515.100	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.150	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.160	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.170	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.210	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.220	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.230	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.300	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.310	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.320	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.330	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.340	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.350	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.360	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.370	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.380	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.390	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.400	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.410	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.420	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.430	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.440	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.500	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.510	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.520	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.530	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.540	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.550	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.560	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.570	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.580	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.590	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.600	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.610	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.700	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.710	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.720	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.730	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.740	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.750	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.760	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.800	Amendments	20 Ill. Reg. 11602 (August 30, 1996)

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515.810	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.820	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.830	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.900	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.910	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.920	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.930	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.935	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.940	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.945	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.950	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.955	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.960	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.965	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.970	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.975	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.980	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.985	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.990	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.995	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.1000	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2000	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2010	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2020	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2030	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2040	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2050	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2060	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2070	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2080	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2090	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.2100	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.3000	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix A	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix B	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix C	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix D	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix E	Amendments	20 Ill. Reg. 11602 (August 30, 1996)
515.Appendix F	Amendments	20 Ill. Reg. 11602 (August 30, 1996)

11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State Mandate.

12) Information and Questions regarding these amendments shall be directed to:

Ms. Gail DeVito
Division of Governmental Affairs
Department of Public Health

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF EMERGENCY AMENDMENTS

535 West Jefferson, Fifth Floor
Springfield, IL 62761
217/782-6187

The full text of the Emergency Amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER f: EMERGENCY SERVICES AND HIGHWAY SAFETY
PART 515
EMERGENCY MEDICAL SERVICES AND TRAUMA CENTER CODE

Section	
515.100	Definitions
<u>EMERGENCY</u>	
515.200	Emergency Medical Services Regions
515.210	EMS Regional Plan Development
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515.220	EMS Regional Plan Content
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515.3000	EMS Assistance Fund Administration
<u>EMERGENCY</u>	

AUTHORITY: Implementing and authorized by the Emergency Medical Services (EMS) Systems Act [210 ILCS 50] (see Public Act 89-177, effective July 19, 1995).

SOURCE: Emergency rule adopted at 19 Ill. Reg. 13084, effective September 1, 1995, for a maximum of 150 days; emergency expired on January 28, 1996; adopted at 20 Ill. Reg. 12043, effective February 9, 1996; emergency amendment at 21 Ill. Reg. 2438, effective January 31, 1997, for a maximum of 150 days.

Section 515.100 Definitions

EMERGENCY

For the purposes of this Part:

Act - the Emergency Medical Services (EMS) Systems Act [210 ILCS 50].

Advanced Life Support (ALS) Services - an advanced level of pre-hospital and inter-hospital emergency care and non-emergency medical care that includes basic life support care, cardiac monitoring, cardiac defibrillation, electrocardiography, intravenous therapy, administration of medications, drugs and solutions, use of adjunctive medical devices, trauma care, and other authorized techniques and procedures as outlined in the Advanced Life Support National Curriculum of the United States Department of Transportation and any modifications to that curriculum specified in this Part. (Section 3.10 of the Act)

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Aeromedical Crew Member or Watercraft Crew Member or Off-road SEMSV Crew Member - an individual, other than an EMS pilot, who has been approved by an SEMSV Medical Director for specific medical duties in a helicopter or fixed-wing aircraft, on a watercraft, or on an off-road SEMSV used in a Department-certified SEMSV Program.

Affiliate Trauma Hospital - a hospital which participates in an EMS System but is not a Level I or Level II Trauma Center.

Alternate EMS Medical Director or Alternate EMSMD - the physician who is designated by the Resource Hospital to direct the ALS/ILS/BLS operations in the absence of the EMS Medical Director.

Ambulance - any publicly or privately owned vehicle that is specifically designed, constructed or modified and equipped, and is intended to be used for, and is maintained or operated for the emergency transportation of persons who are sick, injured, wounded or otherwise incapacitated or helpless, or the non-emergency medical transportation of persons who require the presence of medical personnel to monitor the individual's condition or medical apparatus being used on such an individual. (Section 3.85 of the Act)

Ambulance Service Provider or Ambulance Provider - any individual, group of individuals, corporation, partnership, association, trust, joint venture, unit of local government or other public or private ownership entity that owns and operates a business or service using one or more ambulances or EMS vehicles for the transportation of emergency patients.

Associate Hospital - a hospital participating in an approved EMS System in accordance with the EMS System Program Plan, fulfilling the same clinical and communications requirements as the Resource Hospital. This hospital has neither the primary responsibility for conducting training programs nor the responsibility for the overall operation of the EMS System program. The Associate Hospital must have a basic or comprehensive emergency department with 24-hour physician coverage. It must have a functioning Intensive Care Unit and/or a Cardiac Care Unit.

Associate Hospital EMS Coordinator - the EMT-P or Registered Nurse at the Associate Hospital who shall be responsible for duties in relation to the ALS, ILS or BLS System, in accordance with the Department-approved EMS System Program Plan.

Associate Hospital EMS Medical Director - the physician at the Associate Hospital who shall be responsible for the day-to-day operations of the Associate Hospital in relation to the ALS, ILS, or BLS System, in accordance with the Department-approved EMS System

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Program Plan.

Basic Emergency Department - a classification of a hospital emergency department where at least one physician is available in the emergency department at all times; physician specialists are available in minutes; and ancillary services including laboratory, x-ray and pharmacy are staffed or are "on-call" at all times in accordance with Section 250.710 of the Hospital Licensing Code (77 Ill. Adm. Code 250).

Basic Life Support (BLS) Services - a basic level of pre-hospital and inter-hospital emergency care and non-emergency medical care that includes airway management, cardiopulmonary resuscitation (CPR), control of shock and bleeding and splinting of fractures, as outlined in a Basic Life Support National Curriculum of the United States Department of Transportation and any modifications to that curriculum specified in this Part. (Section 3.10 of the Act)

Certified Registered Nurse Anesthetist or CRNA - a licensed registered professional nurse who has had additional education beyond the registered professional nurse requirements at a school/program accredited by the National Council on Accreditation, and passed the certifying exam given by the National Council on Certification, and who by participating in 40 hours of continuing education every two years, has been recertified by the National Council on Recertification.

Channel, Half-Duplex - a radio channel that transmits and receives signals, but in only one direction at a time.

Comprehensive Emergency Department - a classification of a hospital emergency department where at least one licensed physician is available in the emergency department at all times; physician specialists shall be available in minutes; and ancillary services including laboratory and x-ray are staffed at all times; and pharmacy is staffed or "on-call" at all times in accordance with Section 250.710 of the Hospital Licensing Code (77 Ill. Adm. Code 250).

Department - the Illinois Department of Public Health. (Section 3.5 of the Act)

Director - the Director of the Illinois Department of Public Health or his/her designee. (Section 3.5 of the Act)

Dysrhythmia - a variation from the normal electrical rate and sequences of cardiac activity, also including abnormalities of impulse formation and conduction.

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Effective Radiated Power (ERP) - the power gain of a transmitting antenna multiplied by the net power accepted by the antenna from the connected transmitter.

Electrocardiogram (EKG) - a single lead graphic recording of the electrical activity of the heart by a series of deflections that represent certain components of the cardiac cycle.

Emergency - a medical condition of recent onset and severity that would lead a prudent lay person, possessing an average knowledge of medicine and health, to believe that urgent or unscheduled medical care is required. (Section 3.5 of the Act)

Emergency Communications Registered Nurse or ECRN - a registered professional nurse, licensed under the Illinois Nursing Act of 1987 who has successfully completed supplemental education in accordance with this Part, and who is approved by an EMS Medical Director to monitor telecommunications from and give voice orders to EMS System personnel, under the authority of the EMS Medical Director and in accordance with System protocols. (Section 3.80 of the Act) These individuals were formerly called MICNS.

Emergency Medical Dispatcher - a person who has successfully completed a dispatching course meeting or exceeding the National Curriculum of the United States Department of Transportation in accordance with this Part, who accepts calls from the public for emergency medical services and dispatches designated emergency medical services personnel and vehicles. (Section 3.70 of the Act)

Emergency Medical Services (EMS) System or System - an organization of hospitals, vehicle service providers and personnel approved by the Department in a specific geographic area, which coordinates and provides pre-hospital and inter-hospital emergency care and non-emergency medical transports at a BLS, ILS and/or ALS level pursuant to a System Program Plan submitted to and approved by the Department and pursuant to the EMS Region Plan adopted for the EMS Region in which the System is located. (Section 3.20 of the Act)

Emergency Medical Services System Survey - a questionnaire that provides data to the Department for the purpose of compiling annual reports.

Emergency Medical Technician-Basic or EMT-B - a person who has successfully completed a course of instruction in basic life support as prescribed by the Department, is currently licensed by the Department in accordance with standards prescribed by the Act and this Part and practices within an EMS System. (Section 3.50 of the Act)

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Emergency Medical Technician-Coal Miner - for purposes of the Coal Mine Medical Emergencies Act, an EMT-B, EMT-I or EMT-P who has received training emphasizing extrication from a coal mine.

Emergency Medical Technician-Intermediate or EMT-I - a person who has successfully completed a course of instruction in intermediate life support as prescribed by the Act and this Part and practices within as intermediate or advanced life support EMS System. (Section 3.50 of the Act)

Emergency Medical Technician-Paramedic or EMT-P - a person who has successfully completed a course of instruction in advanced life support care as prescribed by the Department, is licensed by the Department in accordance with standards prescribed by the Act and this Part and practices within an advanced life support EMS System. (Section 3.50 of the Act)

EMS Administrative Director - the administrator, appointed by the Resource Hospital with the approval of the EMS Medical Director, responsible for the administration of the EMS System.

EMS Medical Director or EMSMD - The physician, appointed by the Resource Hospital, who has the responsibility and authority for total management of the EMS System.

EMS Lead Instructor - a person who has successfully completed a course of education as prescribed by the Department in this Part, and who is currently approved by the Department to coordinate or teach education, training and continuing education courses, in accordance with this Part. (Section 3.65 of the Act)

EMS Regional Plan - a plan established by the EMS Medical Director's Committee in accordance with Section 3.30 of the Act.

EMS System Coordinator - the designated individual responsible to the EMS Medical Director and EMS Administrative Director for coordination of the educational and functional aspects of the System program.

EMS System Program Plan - the document prepared by the Resource Hospital and approved by the Department that describes the EMS System program and directs the program's operation.

First Responder - a person who has successfully completed a course of instruction in emergency first response as prescribed by the Department, who provides first response services prior to the arrival of an ambulance or specialized emergency medical services vehicle, in accordance with the level of care established in the emergency first response course. (Section 3.60 of the Act)

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First Response Services - a preliminary level of pre-hospital emergency care that includes cardiopulmonary resuscitation (CPR), monitoring vital signs and controlling of bleeding, as outlined in the First Responder curriculum of the United States Department of Transportation and any modifications to that curriculum specified in this Part. (Section 3.10 of the Act)

Fixed-Wing Aircraft - an engine-driven aircraft that is heavier than air, and is supported in-flight by the dynamic reaction of the air against its wings.

Full-Time - on duty a minimum of 36 hours, four days a week.

Health Care Facility - a hospital, nursing home, physician's office or other fixed location at which medical and health care services are performed. It does not include "pre-hospital emergency care settings" which utilize EMTs to render pre-hospital emergency care prior to the arrival of a transport vehicle, as defined in the Act and this Part. (Section 3.5 of the Act)

Helicopter or Rotorcraft - an aircraft that is capable of vertical take offs and landings, including maintaining a hover.

Hospital - has the meaning ascribed to that term in Section 3 of the Hospital Licensing Act [210 ILCS 85]. (Section 3.5 of the Act)

Instrument Flight Rules or IFR - the operation of an aircraft in weather minimums below the minimums for flight under visual flight rules (VFR). (See General Operating and Flight Rules, 14 CFR 91.115 through 91.129.)

Instrument Meteorological Conditions (IMC) - meteorological conditions expressed in terms of visibility, distance from clouds and ceiling, which require Instrument Flight Rules.

Intermediate Life Support (ILS) Services - an intermediate level of pre-hospital and inter-hospital emergency care and non-emergency medical care that includes basic life support care, plus intravenous cannulation and fluid therapy, invasive airway management, trauma care, and other authorized techniques and procedures as outlined in the Intermediate Life Support National Curriculum of the United States Department of Transportation and any modifications to that curriculum specified in this Part. (Section 3.10 of the Act)

Level I Trauma Center - a hospital participating in an approved EMS System and designated by the Department pursuant to Section 515.2030 of this Part to provide optimal care to trauma patients and to provide all essential services in-house, 24 hours per day.

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Level II Trauma Center - a hospital participating in an approved EMS System and designated by the Department pursuant to Section 515.2040 of this Part to provide optimal care to trauma patients, to provide some essential services available in-house 24 hours per day, and to provide other essential services readily available 24 hours a day.

Limited Operation Vehicle - a vehicle which is licensed by the Department to provide basic, intermediate or advanced life support emergency or non-emergency medical services that are exclusively limited to specific events or locales. (Section 3.85 of the Act)

Local System Review Board - a group established by the Resource Hospital to hear appeals from EMTs or other providers who have been suspended or have received notification of suspension from the EMS Medical Director.

Mobile Radio - a two-way radio installed in an EMS vehicle, which may not be readily removed.

Morbidity - a negative outcome that is the result of the original trauma and/or treatment rendered or omitted.

911 - an emergency answer and response system in which the caller need only dial 9-1-1 on a telephone to obtain emergency services including police, fire, medical ambulance and rescue.

Non-Emergency Medical Care - medical services rendered to patients whose condition does not meet the Act's definition of emergency, during transportation of such patients to health care facilities for the purpose of obtaining medical or health care services which are not emergency in nature, using a vehicle regulated by the Act and this Part. (Section 3.10 of the Act)

Off-Road Specialized Emergency Medical Services Vehicle or Off-Road EMSV or Off-Road EMS Vehicle - a motorized cart, golf cart, all-terrain-vehicle (ATV), or amphibious vehicle that is not intended for use on public roads.

Participating Hospital - a hospital participating in an approved EMS System in accordance with the EMS System Program Plan, which is not a Resource Hospital or an Associate Hospital.

Physician - any person licensed to practice medicine in all of its branches under the Medical Practice Act of 1987 [225 ILCS 90].

Pilot or EMS Pilot - a pilot certified by the Federal Aviation Administration who has been approved by an EMSV Medical Director to fly a helicopter or fixed-wing aircraft used in a Department-certified

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SEMSV Program.

Portable Radio - a hand-held radio that accompanies the user during the conduct of emergency medical services.

Pre-Hospital Care - those emergency medical services rendered to emergency patients for analytic, resuscitative, stabilizing, or preventive purposes, precedent to and during transportation of such patients to hospitals. (Section 3.10 of the Act)

Pre-Hospital Care Provider - a System Participant or any EMT-B, I, P, Ambulance, Ambulance Provider, EMS Vehicle, Associate Hospital, Participating Hospital, EMS System Coordinator, Associate Hospital EMS Coordinator, Associate Hospital EMS Medical Director, ECRN or Physician serving on an ambulance or giving voice orders over an EMS System and subject to suspension by the EMS Medical Director of that System in accordance with the policies of the EMS System Program Plan approved by the Department.

Pre-Hospital Registered Nurse or Pre-Hospital RN - a registered professional nurse, licensed under the Illinois Nursing Act of 1987 who has successfully completed supplemental education in accordance with this Part and who is approved by an EMS Director to practice within as EMS System as emergency medical services personnel for pre-hospital and inter-hospital emergency care and non-emergency medical transports. (Section 3.80 of the Act) This individual was formerly called a Field RN.

Regional EMS Advisory Committee - a committee formed within an Emergency Medical Services (EMS) Region to advise the Region's EMS Medical Directors Committee and to select the Region's representative to the State Emergency Medical Services Advisory Council, consisting of at least the members of the Region's EMS Medical Directors Committee, the chair of the Regional Trauma Committee, the EMS System Coordinators from each resource hospital within the Region, one administrative representative from an associate hospital within the Region, one administrative representative from a participating hospital within the Region, one administrative representative from the vehicle service provider which responds to the highest number of calls for emergency service within the Region, one administrative representative of a vehicle service provider from each System within the Region, one Emergency Medical Technician (EMT)/Pre-Hospital RN from each level of EMT/Pre-Hospital RN practicing within the Region, and one registered professional nurse currently practicing in an emergency department within the Region. Of the two administrative representatives of vehicle service providers, at least one shall be an administrative representative of a private vehicle service provider. The Department's Regional EMS Coordinator for each Region shall serve

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as a non-voting member of that Region's EMS Advisory Committee. (Section 3.25 of the Act)

Regional EMS Coordinator - the designee of the Chief, Division of Emergency Medical Services and Highway Safety, Illinois Department of Public Health.

Regional EMS Medical Directors Committee - a group comprised of the Region's EMS Medical Directors, along with the medical advisor to a fire department vehicle service provider. For Regions which include a municipal fire department serving a population of over 2,000,000 people, that fire department's medical advisor shall serve on the Committee. For other Regions, the fire department vehicle service providers shall select which medical advisor to serve on the Committee on an annual basis. (Section 3.25 of the Act)

Regional Trauma Advisory Committee - a committee formed within an Emergency Medical Services (EMS) Region, to advise the Region's Trauma Center Medical Directors Committee, consisting of at least the Trauma Center Medical Directors and Trauma Coordinators from each trauma center within the Region, one EMS Medical Director from a resource hospital within the Region, one EMS System Coordinator from another resource hospital within the Region, one representative each from a public and private vehicle service provider which transports trauma patients within the Region, an administrative representative from each trauma center within the Region, one EMT representing the highest level of EMT practicing within the Region, one emergency physician and one Trauma Nurse Specialist (TNS) currently practicing in a trauma center. The Department's Regional EMS Coordinator for each Region shall serve as a non-voting member of that Region's Trauma Advisory Committee. (Section 3.25 of the Act)

Registered Nurse or Registered Professional Nurse or RN - a person who is licensed as a professional nurse under the Illinois Nursing Act of 1987 [225 ILCS 65].

Resource Hospital - the hospital with the authority and the responsibility for an EMS System as outlined in the Department-approved EMS System Program Plan. The Resource Hospital, through the EMS Medical Director, assumes responsibility for the entire program, including the clinical aspects, operations and educational programs. This hospital agrees to replace medical supplies and provide for equipment exchange for participating EMS vehicles.

SEMSV Medical Control Point or Medical Control Point - the communication center from which the SEMSV Medical Director or his or her designee issues medical instructions or advice to the aeromedical, watercraft, or off-road SEMSV crew members.

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SEMSV Medical Director or Medical Director - the physician appointed by the SEMSV Program who has the responsibility and authority for total management of the SEMSV Program, subject to the requirements of the EMS System of which the SEMSV Program is a part.

SEMSV Program or Specialized Emergency Medical Services Vehicle Program - a program operating within an EMS System, pursuant to a program plan submitted to and certified by the Department, utilizing specialized emergency medical services vehicles to provide emergency transportation to sick or injured persons.

Specialized Emergency Medical Services Vehicle or SEMSV - a vehicle or conveyance, other than those owned or operated by the federal government, that is primarily intended for use in transporting the sick or injured by means of air, water, or ground transportation, that is not an ambulance as defined in the Act. The term includes watercraft, aircraft and special purpose ground transport vehicles not intended for use on public roads. (Section 3.85 of the Act)
"Primarily intended", for the purposes of this definition, means one or more of the following:

Over 50 percent of the vehicle's operational (e.g., in-flight) hours are devoted to the emergency transportation of the sick or injured;

The vehicle is owned or leased by a hospital or ambulance provider and is used for the emergency transportation of the sick or injured;

The vehicle is advertised as a vehicle for the emergency transportation of the sick or injured;

The vehicle is owned, registered or licensed in another state and is used on a regular basis to pick up and transport the sick or injured within or from within this State; or

The vehicle's structure or permanent fixtures have been specifically designed to accommodate the emergency transportation of the sick or injured.

Standby Emergency Department - a classification of a hospital emergency department where at least one of the registered nurses on duty in the hospital is available for emergency services at all times; and a licensed physician is "on-call" to the emergency department at all times in accordance with Section 250.710 of the Hospital Licensing Code (77 Ill. Adm. Code 250).

Special-Use Vehicle - any public or privately owned vehicle that is

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specifically designed, constructed or modified and equipped, and is intended to be used for, and is maintained or operated solely for the emergency or non-emergency transportation of a specific medical class or category of persons who are sick, injured, wounded or otherwise incapacitated or helpless (e.g. high-risk obstetrical patients, neonatal patients). (Section 3.85 of the Act)

State EMS Advisory Council - a group that advises the Department on the administration of the Act and this Part whose members are appointed in accordance with Section 3.200 of the Act.

System Participation Suspension - the suspension from participation within an EMS System of an individual or individual provider, as specifically ordered by that System's EMS Medical Director.

Substantial Compliance - meeting requirements except for variance from the strict and literal performance that results in unimportant omissions or defects given the particular circumstances involved.

Substantial Failure - the failure to meet requirements other than a variance from the strict and literal performance that results in unimportant omissions or defects given the particular circumstances involved.

Sustained Hypotension - two systolic blood pressures of 90 mm.Hg five minutes apart or, in the case of a pediatric patient, two systolic blood pressures of 80 mm.Hg five minutes apart.

Telecommunications Equipment - a radio capable of transmitting and/or receiving voice and electrocardiogram (EKG) signals.

Telemetry - the transmission of data by wire, radio, or other means from remote sources to a receiving station for recording and analysis.

Trauma - any significant injury which involves single or multiple organ systems. (Section 3.5 of the Act)

Trauma Category I - a classification of trauma patients in accordance with Section 515.Appendix C and 515.Appendix F of this Part.

Trauma Category II - a classification of trauma patients in accordance with Section 515.Appendix C and 515.Appendix F of this Part.

Trauma Center - a hospital which: within designated capabilities provides care to trauma patients; participates in an approved EMS System; and is duly designated pursuant to the provisions of the Act. (Section 3.90 of the Act)

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Trauma Center Medical Director - the trauma surgeon appointed by a Department-designated Trauma Center who has the responsibility and authority for the coordination and management of patient care and trauma services at the Trauma Center. He or she must have 24-hour independent operating privileges and shall be board certified in surgery with at least one year of experience in trauma care.

Trauma Center Medical Directors Committee - a group composed of the Region's Trauma Center Medical Directors. (Section 3.25 of the Act)

Trauma Coordinator - a registered nurse working in conjunction with the trauma medical director. The Trauma Coordinator is responsible for the organization of service and systems necessary for a multidisciplinary approach throughout the continuum of trauma care.

Trauma Nurse Specialist or TNS - a registered professional nurse who has successfully completed education and testing requirements as prescribed by the Department, and is certified in accordance with this Part. (Section 3.75 of the Act)

Trauma Nurse Specialist Course Coordinator (TNSCC) - a registered nurse appointed by the Chief Executive Officer of a hospital designated as a TNS Training Site, who meets the requirements of Section 515.570 of this Part.

Trauma Service - an identified hospital surgical service in a Level I or Level II Trauma Center functioning under a designated trauma director in accordance with Sections 515.2030(c) and 515.2040(c) of this Part.

Unit Identifier - a number assigned by the Department for each EMS vehicle in the State to be used in radio communications.

Vehicle Service Provider - an entity licensed by the Department to provide emergency or non-emergency medical services in compliance with the Act and this Part and an operational plan approved by its EMS System(s), utilizing at least ambulances or specialized emergency medical service vehicles (SEMSV). (Section 3.85 of the Act)

Watercraft - a nautical vessel, boat, aircraft, hovercraft or other vehicle that operates in, on or across water.

(Source: Emergency amendment at 21 Ill. Reg. 2437, effective January 31, 1997, for a maximum of 150 days)

Section 515.210 EMS Regional Plan Development

EMERGENCY

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a) Within six months after designation of an EMS Region, an EMS Region Plan addressing at least the information prescribed in Section 515.220 of this Part shall be submitted to the Department for approval. The Plan shall be developed by the Region's EMS Medical Directors Committee with advice from the Regional EMS Advisory Committee; portions of the Plan concerning trauma shall be developed jointly with the Region's Trauma Center Medical Directors or Trauma Center Medical Directors Committee, whichever is applicable, with advice from the Regional Trauma Advisory Committee, if such Advisory Committee has been established in the Region. (Section 3.25(a) of the Act)

b) A Region's Trauma Center Medical Directors may choose to participate in the development of the EMS Region Plan through membership on the Regional EMS Advisory Committee, rather than through a separate Trauma Center Medical Directors Committee. If that option is selected, the Region's Trauma Center Medical Director shall also determine whether a separate Regional Trauma Advisory Committee is necessary for the Region. (Section 3.25(b) of the Act)

c) In the event of disputes over content of the Plan between the Region's EMS Medical Directors Committee and the Region's Trauma Center Medical Directors or Trauma Center Medical Directors Committee, whichever is applicable, the Director of the Illinois Department of Public Health shall intervene through a review in accordance with Section 515.230 of this Part. (Section 3.25(c) of the Act)

d) Every 2 years, the members of the Region's EMS Medical Directors Committee shall rotate serving as Committee Chair, and select the Associate Hospital, Participating Hospital and vehicle service providers which shall send representatives to the Advisory Committee, and the EMTs/Pre-Hospital RN and nurse who shall serve on the Advisory Committee. (Section 3.25(d) of the Act) Each System in the Region must have at least one representative on the Committee.

e) Every 2 years, the members of the Trauma Center Medical Directors Committee shall rotate serving as Committee Chair, and select the vehicle service providers, EMT, emergency physician, EMS System Coordinator and TNS who shall serve on the Advisory Committee. (Section 3.25(e) of the Act) It is recommended that the committee chair be held by Trauma Center Medical Directors of the Level I Trauma Centers in the Region.

(Source: Emergency amendment at 21 Ill. Reg. 2437, effective January 31, 1997, for a maximum of 150 days)

Section 515.220 EMS Regional Plan Content

EMERGENCY

a) The EMS Medical Directors Committee portion of the Regional Plan shall address at least the following:

1) Protocols for inter-System/inter-Region patient transports, including protocols for pediatric patients and pediatric patients

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with special health care needs, identifying the conditions of emergency patients which may not be transported to the different levels of emergency department, based on their department classifications and relevant Regional considerations (e.g., transport times and distances);

- 2) Regional standing medical orders;
 - 3) Patient transfer patterns, including criteria for determining whether a patient needs the specialized service of a trauma center, along with protocols for the bypassing of or diversion to any hospital, trauma center or Regional trauma center which are consistent with individual System bypass or diversion protocols and protocols for patient choice or refusal;
 - 4) Protocols for resolving Regional or inter-System conflict;
 - 5) An EMS disaster preparedness plan which includes the actions and responsibilities of all EMS participants within the Region for care and transport of both the adult and pediatric population;
 - 6) Regional standardization of continuing education requirements;
 - 7) Regional standardization of Do Not Resuscitate (DNR) policies, and protocols for power of attorney for health care;
 - 8) Protocols for disbursement of Department grants (Section 3.30(a)(1-8) of the Act); and
 - 9) Development of protocols to improve and integrate EMS for children (or EMSC) into the current delivery of emergency services within the Region.
- b) The Trauma Center Medical Directors or Trauma Center Medical Directors Committee portion of the Regional Plan shall address at least the following:
- 1) The identification of Regional Trauma Centers and identification of trauma centers that specialize in pediatrics;
 - 2) Protocols for inter-System and inter-Region trauma patient transports, including identifying the conditions of emergency patients which may not be transported to the different levels of emergency department, based on their department classifications and relevant Regional considerations (e.g., transport times and distances);
 - 3) Regional trauma standing medical orders;
 - 4) Trauma patient transfer patterns, including criteria for determining whether a patient needs the specialized services of a trauma center, along with protocols for the bypassing of or diversion to any hospital, trauma center or Regional trauma center which are consistent with individual System bypass or diversion protocols and protocols for patient choice or refusal (These policies must include the criteria of Section 515, Appendix C.);
 - 5) The identification of which types of patients can be cared for by Level I and Level II Trauma Centers;
 - 6) Criteria for inter-hospital transfer of trauma patients including the transfer of pediatric patients;

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- 7) The treatment of trauma patients in each trauma center within the Region;
- 8) The establishment of a Regional trauma quality assurance and improvement subcommittee, consisting of trauma surgeons, which shall perform periodic medical audits of each trauma center's trauma services, and forward tabulated data from such reviews to the Department; and
- 9) A program for conducting a quarterly conference which shall include at a minimum a discussion of morbidity and mortality between all professional staff involved in the care of trauma patients (Section 3.30(b)(1-9) of the Act).
 - A) This shall include but not be limited to all cases that have been deemed potentially preventable or preventable in the trauma center review using the American College of Surgeons "Guidelines for Judgement Regarding Mortality and Contributing Factors and Guidelines Related to Morbidity and Mortality" (from "Resources for Optimal Care of the Injured Patient"). This review should exclude trauma patients who were dead on arrival.
 - B) In addition, the review must include all patients who were transferred more than two hours from time of arrival at the initial institution and who meet one or more of the following criteria at the receiving trauma center:
 - i) Admitted to an intensive care unit;
 - ii) Admitted to a bed with telemetry monitoring;
 - iii) Went directly to the operating room;
 - iv) Went to the operating room from the emergency department;
 - v) Discharged to a rehabilitation or skilled care facility;
 - vi) Died following arrival.
 - C) The Region must include a review of morbidity/audit filters that have been determined by the Region.
 - D) Cumulative regional reports will be made available upon request from the Department.
- c) The Region's EMS Medical Directors and Trauma Center Medical Directors Committees shall appoint any subcommittees which they deem necessary to address specific issues concerning Region activities. (Section 3.30(c) of the Act)

2437 =

(Source: Emergency amendment at 21 Ill. Reg. _____, effective January 31, 1997, for a maximum of 150 days)

Section 515.230 Resolution of Disputes Concerning the EMS Regional Plan

EMERGENCY

- a) If the EMS Medical Director's Committee and the Region's Trauma Center Medical Directors or Trauma Center Medical Director's Committee,

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whichever is applicable, have an unresolved dispute over the content of the Regional Plan, the following shall be sent to the Director:

- 1) All relevant information surrounding the issue being disputed.
- 2) A statement from the EMS Medical Director's Committee supporting their position; and the name, phone number and address of one person who should be contacted if further information is needed.
- 3) A statement from the Region's Trauma Center Medical Director or Trauma Center Medical Director's Committee, whichever is applicable, supporting their position; and the name, phone number and address of one person who should be contacted if further information is needed.
- b) The Director will make a determination within 10 working days after receipt of the above information. The determination may be one or the other position or may be another option developed by the Director.

(Source: Emergency amendment at 21 Ill. Reg. 2437E, effective January 31, 1997, for a maximum of 150 days)

Section 515.2050 Trauma Center Uniform Reporting Requirements

EMERGENCY

- a) Each trauma center shall have available to the Trauma Service use of an IBM compatible personal computer capable of handling the software contracted by the Department and that meets the following general standards: 486 microprocessor, 32 megabytes Random Access Memory (RAM), adequate hard drive space to accommodate the trauma center's data files and needs, at least 14.4kbs modem, color monitor, printer and back-up capability. The Department shall provide Trauma Registry software for use by the trauma center. This software shall be used for data collection and shall have a provision to prepare electronic media reports to the Department on a quarterly basis.

AGENCY NOTE: For example, Windows 95 would meet these requirements.

The trauma center shall provide the following information on each reportable trauma patient:

- 1) Registry Number;
- 2) Medical Record Number;
- 3) Name (first and last);
- 4) Address, city, state, county and zip;
- 5) EMS Region;
- 6) Age;
- 7) Sex;
- 8) Race;
- 9) Injury Type;
- 10) Mechanism of Injury (International Classification of Disease (ICD) 9 E codes - 4 digits);
- 11) Safety Equipment;
- 12) Hospital Transfer From and Hospital Transfer To;
- 13) Transport Mode;

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- 14) Run Sheet;
 - 15) Date Arrived At Scene (only for when pre-hospital transport is involved);
 - 16) ED Arrival Date;
 - 17) ED Disposition Date;
 - 18) Glasgow Coma Scale Components (Eye, Motor, Verbal and Total) in ED;
 - 19) First Temperature in ED;
 - 20) ED Blood Pressure, Pulse, Respiratory Rate;
 - 21) ED Revised Trauma Score;
 - 22) ED Triage Category;
 - 23) Minimum Field Triage Criteria;
 - 24) ED Treatment;
 - 25) Blood Alcohol level in all drivers in motor vehicle crashes;
 - 26) Blood Units Administered;
 - 27) Physician Type, Notification Time, Arrival Time;
 - 28) Admitting Service;
 - 29) Medical Complications;
 - 30) Total ICU Days, Monitored Bed Days and Unmonitored Bed Days;
 - 31) Number of Ventilator Days;
 - 32) Surgery Performed, Surgery Date;
 - 33) Additional Surgeries;
 - 34) Abbreviated Injury Scale for each injury;
 - 35) Injury Severity Score (ISS) range 1-75;
 - 36) Primary Pay Source;
 - 37) Discharge Condition and Date; and
 - 38) Total Hospital Days.
- c) Reportable trauma patients
- 1) A reportable trauma patient is one who was involved in a traumatic event and:
 - A) was transferred to the trauma center from another hospital;
 - B) was transferred from the trauma center to another hospital;
 - C) was admitted to the trauma center as an inpatient;
 - D) was assigned an observation status and had a length of stay greater than 12 hours from time of arrival in the ED;
 - E) was dead on arrival (DOA);
 - F) died in the emergency department (DIE); or
 - G) signed out against medical advice after refusing admission (AMA).
 - 2) A traumatic event is one in which there was a transfer of energy resulting in injury, involving any of the following:
 - A) aircraft;
 - B) watercraft;
 - C) motor vehicles;
 - D) railway;
 - E) recreational vehicles;
 - F) farm machinery;
 - G) animals, including bites;

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- H) explosion;
 I) falls;
 J) thermal (including smoke inhalation)/chemical/radiation injuries;
 K) lightning;
 L) weather related (tornado, flood, blizzard) injuries;
 M) struck by falling object;
 N) sports related;
 O) caught between objects;
 P) cutting or piercing instruments or objects;
 Q) firearms;
 R) electric current;
 S) suicide or self-inflicted injury;
 T) homicide;
 U) injury inflicted by others;
 V) hanging; or
 W) strangulation.
- d) Illinois trauma registry reporting schedule

<u>Patients Discharged</u>	<u>Report Date</u>
January - March	June 30
April - June	September 30
July - September	December 31
October - December	March 31

- e) Data shall be collected for all trauma patients in the State for each level of Injury Severity Score mean mortality rates, and standard deviations shall be calculated using standard statistical methods. Trauma centers with mortality rates more than one standard deviation above the mean in three or more ISS levels shall have an in-depth evaluation by the Department prior to renewal of designation. Trauma centers with mortality rates more than two standard deviations above the mean in any ISS level less than 25 shall also be evaluated for compliance with the Act and this Part prior to renewal of designation. The Department shall review a trauma center whose annual morbidity falls two standard deviations above the mean.
- f) Data collected from individual trauma centers shall be cross-referenced with Vital Records Death Certificates to confirm accuracy.
- g) Annual reports shall be prepared by the Department presenting summary data to allow trauma centers to evaluate performance. This data shall have all hospital and patient identifiers removed.
- h) All data received by the Department shall be kept confidential. Patient identifiers shall be kept in such a way to assure that confidentiality is maintained and is not available to the public.
- i) All reports and records made pursuant to the Head and Spinal Cord Injury Act (410 ILCS 515) and maintained by the Department and

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- other appropriate persons, officials and institutions pursuant to the Head and Spinal Cord Injury Act shall be confidential. Information shall not be made available to any individual or institution except to:
- A) Appropriate staff of the Department;
 B) Any person engaged in a bona fide research project, with the permission of the Director of Public Health, except that no information identifying the subjects of the reports or the reports shall be made available to researchers unless the Department requests and receives consent for such release pursuant to the provisions of this Section; and
 C) The Advisory Council on Spinal Cord and Head Injuries, except that no information identifying the subjects of the reports or the reports shall be made available to the Council unless consent for release is requested and received pursuant to the provisions of this Section. Only information pertaining to head and spinal cord injuries as defined in Section 1 of the Head and Spinal Cord Injury Act shall be released to the Council. (Section 3 of the Head and Spinal Cord Injury Act)
- 2) The Department shall not reveal the identity of a patient, physician or hospital, except that the identity of the patient may be released upon written consent of the patient, parent or guardian, the identity of the physician may be released upon written consent of the physician, and the identity of the hospital may be released upon written consent of the hospital. (Section 3 of the Head and Spinal Cord Injury Act)
- 3) The Department shall request consent for release from a patient, a physician or hospital only upon a showing by the applicant for such release that obtaining the identities of certain patients, physicians or hospitals is necessary for his bona fide research directly related to the objectives of the Head and Spinal Cord Injury Act. (Section 3 of the Head and Spinal Cord Injury Act)
- i) Availability of Registry Information
- 1) All requests by medical or epidemiologic researchers for confidential registry data must be submitted in writing to the registry. The request must include a study protocol that contains: objectives of the research; rationale for the research, including scientific literature justifying current proposal; overall study methods, including copies of forms, questionnaires, and consent forms used to contact facilities, physicians or study subjects, including methods for documenting compliance with 42 CFR 2A, pars. 4 a-j, 6 a-b, 7 a-b; methods for the processing of data; storage and security measures taken to ensure confidentiality of patient identifying information; time frame of the study; a description of the funding source of the study (e.g., federal contract); the curriculum vitae of the principal investigator; and a list of collaborators. In

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addition, the research request must specify what patient or facility identifying information is needed and how the information will be used.

- 2) All requests to conduct research and modifications to approved research proposals involving the use of data that includes patient or facility identifying information shall be subject to a review to determine compliance with the following conditions:

- A) The request for patient or facility identifying information contains stated goals or objectives;
- B) The request documents the feasibility of the study design in achieving the stated goals and objectives;
- C) The request documents the need for the requested data to achieve the stated goals and objectives;
- D) The requested data can be provided within the time frame set forth in the request;
- E) The request documents that the researcher has qualifications relevant to the type of research being conducted;
- F) The researcher will not duplicate other research already underway using the same registry data when both require the contact of a patient, reporting facility or physician about an individual patient involved in the previously approved concurrent research; and
- G) Other such conditions relevant to the need for the patient or facility identifying information and the patient's confidentiality rights, because the Department will only release the patient, physician in accordance with the provisions of this Section, or facility identifying information that is necessary for the research.

3) Research Agreements

- A) The Department will enter into research contracts for all approved research requests. These contracts shall specify exactly what information is being released and how it can be used in accordance with the standards in subsection (c) of this Section. In addition, the researcher shall include an assurance that:
 - i) Use of data is restricted to the specifications of the protocol;
 - ii) Any and all data that may lead to the identity of any patient, research subject, physician, other person, or hospital is strictly privileged and confidential and that all such data will be kept strictly confidential at all times;
 - iii) All officers, agents and employees will keep all such data strictly confidential; will communicate the requirements of this subsection to all officers, agents, and employees; will discipline all persons who may violate the requirements of this Section; and will notify the Department in writing within 48 hours after

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any violation of this subsection, including full details of the violation and corrective actions to be taken;

- iv) All data provided by the Department pursuant to the contract may only be used for the purposes named in the contract and that any other or additional use of the data may result in immediate termination of the contract by the Department; and
 - v) All data provided by the Department pursuant to the contract is the sole property of the Department and may not be copied or reproduced in any form or manner and that all data and all copies and reproduction of the data will be returned to the Department upon termination of the contract.
- B) Any departures from the approved protocol must be submitted in writing and approved by the Director in accordance with subsection (c)(2) of this Section prior to initiation. No patient or facility identifying information may be released by a researcher to a third party.
- 4) The Department shall disclose individual patient or facility information to the reporting facility that originally supplied that information to the Department, upon written request of the facility.
 - j) The patient identifying information submitted to the Department by those entities required to submit information under the Act and this Part is to be used in the course of medical study under Part 21 of Article VIII of the Code of Civil Procedure [735 ILCS 5]. Therefore, this information is privileged from disclosure by Part 21 of Article VIII of the Code of Civil Procedure.
 - k) The identity of any facility, or any group of facts that tends to lead to the identity of any person whose condition or treatment is submitted to the Department, shall not be open to public inspection or dissemination. Such information shall not be available for disclosure, inspection or copying under the Freedom of Information Act or the State Records Act. All information for specific research purposes may be released in accordance with procedures established by the Department in this Section.
 - l) Every hospital shall provide representatives of the Department with access to information from all medical, pathological, and other pertinent records and logs related to reportable registry information. The mode of access and the time during which this access will be provided shall be by mutual agreement between the hospital and the Department. The Department shall not require hospitals to provide information on cases that are dated more than two years before the Department's request for further information.
 - m) Every hospital shall provide access to information regarding specified patients or other patients specified for research studies, related to reportable registry information, conducted by the Department. Any

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disputes as to access shall be resolved by the hospital and the Department within 30 days after requests for access have been denied.

(Source: Emergency amendment at 21 Ill. Reg. 2437, effective January 31, 1997, for a maximum of 150 days)

**Section 515.2090 Trauma Center Fund
EMERGENCY**

a) *The Department shall distribute 97.5% of 50% of the moneys deposited into the Trauma Center Fund, a special fund in the State Treasury, to Illinois hospitals that are currently designated as trauma centers. No moneys may be distributed to a trauma center located outside of the State. (Section 3.225(a) and (b)(3) of the Act) The distribution to individual hospitals shall be based on the number of trauma cases, including cases where the hospital provides initial trauma care only, and the average length of stay for trauma cases at each hospital, according to data for the most recently completed State fiscal year.*

b) *The moneys in the fund shall be allocated proportionally to each EMS Region so that the EMS Region receives the moneys collected from within its Region for violations of laws or ordinances regulating the movement of traffic. (Section 3.225(b)(2) of the Act.)*

1) The total amount of funds per EMS Region will be based on the moneys received from the counties in that Region.

A) If a county has more than one EMS Region, the moneys received from that county shall be divided among the Regions based on each Region's share of the county's trauma cases.

B) EMS Regions that have developed joint EMS Region Plans to enable them to function as one Region shall be treated as one Region in the calculation.

2) At the beginning of each State fiscal year, the Department shall calculate a per trauma case allocation for each region, which shall be used to determine each trauma center's share of the funds collected during the previous State fiscal year.

c) To determine the percent of the Trauma Fund to be received by each hospital, divide the Hospital Distribution Factor for each trauma center by the Region Distribution Factor.

1) To determine the Region Distribution Factor, add all of the Hospital Distribution Factors for the trauma centers in the Region.

2) To determine the Hospital Distribution Factor, add the hospital's total admission score to the total case value score for the initial trauma care patients treated at the hospital.

A) To determine the hospital's Total Admission Score, multiply the total case value score for admissions by the average length of stay.

i) To determine the total case value score for admissions, assign case values for each patient (one

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patient may have more than one value, i.e., a person who has an ICU stay after an OR procedure) admitted to the hospital according to the following:

Admission	2
Intensive Care Unit Stay	2
Operating Room Procedure	2
Mechanical Ventilation	3
Discharged to a Rehabilitation Facility	1

The sum of all of the values is the total case value score for the patients admitted to the hospital.

ii) To determine the average length of stay, divide the total length of stay for all patients admitted to the hospital by the total number of patients admitted to the hospital.

B) To determine the total case value score for the initial trauma care patients, assign the case values for each initial trauma care patient treated by the hospital according to the following:

Assigned observation status
and had length of stay >
12 hours from time of

arrival in ED	2
Dead on arrival	0
Dying in emergency (DIE) with a trauma surgeon evaluation (TSE)	1.25
DIE without a TSE	.25
Against medical advice (AMA) with a TSE	1.25
AMA without TSE	.25
Transfer with TSE	1.25
Transfer without TSE	.25

The sum of all of the values is the total case value score for the initial trauma care patients treated by the hospital.

d) The Department will distribute funds from the Trauma Center Fund within 90 days after July 1 of each year.

(Source: Emergency amendment at 21 Ill. Reg. January 31, 1997, for a maximum of 150 days)

**Section 515.3000 EMS Assistance Fund Administration
EMERGENCY**

a) *EMT licensure examination fees collected shall be distributed by the Department to the Resource Hospital of the EMS System in which the EMT*

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candidate was educated, to be used for educational and related expenses incurred by the System's hospitals, as identified in the EMS System Program Plan. (Section 3.220(b) of the Act)

- b) All other moneys within the EMS Assistance Fund shall be distributed by the Department to the EMS Regions for disbursement in accordance with protocols established in the EMS Region Plans, for the purposes of organization, development and improvement of Emergency Medical Services Systems, including but not limited to training of personnel and acquisition, modification and maintenance of necessary supplies, equipment and vehicles. (Section 3.220(c) of the Act)

c) Award of Funds

- 1) Any Illinois licensed/designated EMS participant that provides EMS service within the State of Illinois may apply for funds through the Regional EMS Advisory Committee.

A) Application shall be made on forms prescribed and provided by the Department.

B) Applicants shall provide evidence of financial planning, to include but not be limited to: equipment replacement plans, budgeting plans, and fundraising plans.

- 2) Programs, services and equipment funded by the EMS Assistance Fund shall comply with the Act, this Part and the EMS Regional Plan in which the applicant participates.

- 3) The award of funds shall be based upon demonstrated need and one or more of the following:

A) Establishment of a new EMS agency, program or service where needed to improve emergency medical services available in an area.

B) Expansion or improvement of an existing EMS agency, program or service.

C) Replacement of equipment that is unserviceable or procurement of new equipment; and

D) Establishment, expansion or improvement of EMS education and training programs including the adult and pediatric population.

- 4) Deadlines for submission of applications shall be March 1 of each year. For 1997 only, the deadline shall be April 1. Applications must be received in the Division of Emergency Medical Services and Highway Safety by 5:00 pm on the date of the deadline. If the deadline falls on a Saturday, Sunday or State holiday, the application must be received by 5:00 pm the next business day.

- 5) Grants shall be awarded by July 1 of each year.

6) All recipients shall be asked to enter into a grant agreement as prescribed by the Department.

d) Emergency Awards

- 1) The Regional EMS Advisory Committee may recommend that the Department issue emergency awards. Emergency awards shall not exceed 10 percent of the total funds available in a year.

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- 2) Applications shall be made in accordance with subsections (c) (1) and (2) of this Section.

- 3) The award of funds shall be based on the demonstrated needs arising from a natural or man-made disaster.

e) Amount of Award

- 1) The amount of the award shall be based on the amount requested by the applicant, the recommendation of the Regional EMS Advisory Committee and the amount available in the Fund for distribution. The amount awarded shall not exceed the amount requested by the applicant.

- 2) It shall be the responsibility of the applicant to provide adequate information to substantiate the requested amount or any hardship claim.

f) Reporting Requirements

The grantee shall submit a report to the Division of Emergency Medical Services and Highway Safety every six months detailing the status of the grant funds. Within 60 days after the final disbursement of the grant funds, a final report shall be submitted to the Division. The final report shall consist of a financial report for the project and a brief narrative describing the completed project.

g) Modification of a Grant Agreement

- 1) Any change in the use of grant funds from that specified in the approved application shall be permitted only by modification of the grant agreement. The grantee may request the modification of the grant agreement by writing the Chief of the Division of Emergency Medical Services and Highway Safety detailing the reasons and circumstances necessitating the request.

- 2) The award may be suspended and all disbursements of funds held. There shall exist reasonable cause for suspension, such as:

A) Failure to comply with the Act and this Part;

B) Failure to follow the EMS Regional Plan in which the grantee participates; and

C) Violation of the terms of the grant agreement.

(Source: Emergency amendment at 21 Ill. Reg. 2437, effective January 31, 1997, for a maximum of 150 days)

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NOTICE OF NAMES OF PERSONS APPEARING
TO BE OWNERS OF UNCLAIMED PROPERTY WHOSE
LAST KNOWN ADDRESSES ARE IN CERTAIN STATES

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL INSTITUTIONS

Pursuant to statutory requirement, the Illinois Department of Financial Institutions is publishing the names and last known addresses of unclaimed property owners whose last known addresses are allegedly in a state other than Illinois. The other state does not have a reciprocity arrangement with Illinois.

If your name or that of a person you represent appears below, you may contact the Department for further information about the assets.

INQUIRIES MUST BE IN WRITING. The written inquiry should include the name and address as listed, and the correct name and address for reply. If inquiring about a name other than your own, you must indicate your authority to act on behalf of that person.

Address written inquiries to:

UNCLAIMED PROPERTY DIVISION
DEPARTMENT OF FINANCIAL INSTITUTIONS
P.O. Box 19495
Springfield, Illinois 62794-9495

AUTHORITY: Implementing and required by the Illinois Uniform
Disposition of Unclaimed Property Act [765 ILCS 1025/12].

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ABBEN	RICHARD	1805 E BALTIMORE STREET BALTIMORE	MD	21231-0000
ADAMS	DWAYNE	A POB 704 KITTEERY	ME	03904-0000
ADAMS	NORWARD	J PO BOX 436 VACHERIE	LA	70090-0000
ADAMS	NORWOOD	PO BOX 436 VACHERIE	LA	70090-0000
ADAMS	PATRICIA	PO BOX 436 VACHERIE	LA	70090-0000
ADEKOYA	OLUSEGUN	PO BOX 4061 ALBANY	GA	31706-0000
AETNA CASUALTY & SURETY C		151 FARMINGTON AVENUE HARTFORD	CT	06105-0000
AIR PRODUCTS & CHEMICAL		7201 HAMILTON BLVD ALLENTOWN	PA	18195-1501
AKROUK	ABDALLAH	PO BX 26004 MANAMA BAHRAIN	FA	00000-0000
ALI	JENABAI	4265 FALL BROOK DR DULUTH	GA	30136-0000
ALVAREZ	JOSE	R SANCHEE LLEVOT 1 70 SA SALAMANCA EU	FA	00000-0000
AMITH	OTIS	RT 2 BOX 573 LITTLE ROCK	AR	72206-0000
ANDERSON	JOHN	A NORWAY	FA	00000-0000
ANDERSSOHN	HANS	1190 BERLIN SCHNLLR GERMANY	FA	00000-0000
ANDREWS	DANIAL	F 316 W CHESTNUT ST POTTSTOWN	PA	19464-0000
AOKI	KAZUO	HIGASHI 1082 NAGAO KEN OHKAWA GUN	FA	00000-0000

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ARCHER	LYNN	A BOX 251 BOYNE CITY	MI	49712-0000
ARCHIE	CLARA	4483 WILLIS ST BASTROP	LA	71220-0000
ARCHIE	TEONA	4483 WILLIS ST BASTROP	LA	71220-0000
ARISMEDEZ	ELSA	8130 W INDIAN SCHOOL 1 PHOENIX	AZ	85033-0000
ARIZONA DEPARTMENT OF REVENUE			AZ	00000-0000
ARP	ALFRED	RR 3 DAVENPORT	IA	52804-0000
ASAI	JENNIFER	1236 YORKSHIRE RD GROSSE POINTE	MI	48230-0000
ASAI	KATHERINE	1236 YORKSHIRE RD GROSSE POINTE	MI	48230-0000
ASH	JAMES	P APT Y 610 MCDONNELL AVE BILOXI	MS	39531-0000
ASHBERRY	GREGORY	RT 5 BOX 534	TX	75169-0000
AURELIE	LENAGARD	59 RUE JEAN MERMOZ SAINT SEBASTIAN	FA	00000-0000
AUSTIN	GEORGE	FPO NEW YORK 095992871	FA	00000-0000
AVILES	LORI	A 30 BEGONIA COURT JEACKSON	NJ	08527-0000
AYOB	MAHAMMED	A PO BOX 1271 TAIF SAUDI ARABIA	FA	00000-0000
AYOB	MOQADAS	PO BOX 1271 TAIF SAUDI ARABIA	FA	00000-0000
AYOGI	SATO	2 30 5 SHIBUYA KU TOMIGAYA TOKYO JAPAN	FA	00000-0000

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BAILEY	BRADLEY	D BOX 275 TEN SLEEP	WY	82442-0000
BAILEY	RONALD	E USS GALLERY FFG 26 E3 DIV FPO MIAMI 340911482	FA	00000-0000
BALDWIN	D	R 3111 W JEFFERSON ST 3 PHOENIX	AZ	85009-0000
BARBI	CARRIE	POST RD RD 5 VINELAND	NJ	07630-0000
BARNES	PERRY	USS E MCDONNELL FF 1043 1 DIV FPO MIAMI 340921400	FA	00000-0000
BARRETT	DOROTHY	4712 CHATFORD AVE BALTIMORE	MD	21206-0000
BARTH	EDITH	132 WESTCLIFF COVE HOT SPRINGS	AR	71913-0000
BARTH	RICHARD	132 WESTCLIFF COVE HOT SPRINGS	AR	71913-0000
BATES	LORRAINE	342 E BARNARD ST WEST CHESTER	PA	19382-3114
BATTEY	GEORGE	110 SMITH ST ROME	GA	30161-0000
BAULMAN	HENRY	LIPPSPRIN GERMANY	FA	00000-0000
BAXTER	DAVID	J 6 MARSTON LN TUTBURY STAFFORDSH	FA	00000-0000
BEAN	CORDLLIA	PO BOX 623 WALLIS	TX	77485-0000
BEASLEY	JEROME	FPO NEW YORK 095432810	FA	00000-0000
BEATTY	THOMAS	201 W HERMOSA DR 14 TEMPE	AZ	85282-5042
BEAVER	DAVID	E APT 126 1401 RICH UST BDG ANCHORAGE	AK	99501-0000

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BECKMAN	THOMAS	L 1833 BRIARCLIFF FAYETTEVILLE	AR	72701-0000
BECKWITH	DENISE	C RUA DO SIMBOLO 91 CASA 55 SPAIN	FA	00000-0000
BECKWITH	GEORGE	E RUA DO SIMBOLO 91 CASA 55 SPAIN	FA	00000-0000
BEGUELIN	DOROTHY	D 37194 JORDAN MT CLEMENS	MI	48043-3539
BEGUELIN	WILFRED	S 37194 JORDAN MT CLEMENS	MI	48043-3539
BEITH	HARRY	335 ELGIN PLACE ANCASTER ON CA L9H2M FA	FA	00000-0000
BELL	REGINALD	D USS CAMDEN AOE 2 FPO SEATTLE 9879930 FA	FA	00000-0000
BELVIN	ALLEN	E USS MERRILL DD 976 FPO SAN FRAN 96672	FA	00000-0000
BENSON	DWAYNE	J BOX 1106 APO NY 09194 5000 FA	FA	00000-0000
BERING	NATASHA	M 124 ST ANDREWS DRIVE HENDERSONVILLE	TN	37075-2627
BERIOU	JILDER	M 1029 NORTH 5TH STREET BURLINGTON	IA	52601-0000
BERIOU	WILLIAM	P 1029 NORTH 5TH STREET BURLINGTON	IA	52601-0000
BERLET	HANS	IN DER SCHANZ 27 D6905 SCHRIESHEIM WEST GERMANY GERMANY	FA	00000-0000
BERNABLE	MARCOS	10201 HARVIN HOUSTON	TX	77036-0000
BERRY	J	PO BOX 349 MENDENHALL	MS	39114-0000
BERTULFO	ROBERTO	FPO NEW YORK 095521130 FA	FA	00000-0000

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BETTER HOME AND GARDENS		1716 LOCUST ST DES MOINES	IA	50309-3011
BHC SECURITIES INC		100 N 20TH ST PHILA	PA	19103-1443
BIDLACK	DOUGLAS	FPO NEW YORK 095502720	FA	00000-0000
BIEDKE	SYLVIA	4138 HIGH STAR LANE DALLAS	TX	75287-0000
BLAKLEY	JAMES	J PO BOX 22 PIONEER	TN	37847-0000
BLANCAS	NICOLAS	A APT 230 2015 E HWY 190 COPPERAS COVE	TX	76522-2538
BLAND	DELORES	19 PINELAND ROAD HILTON HEAD ISLAND	SC	29926-0000
BLEICH	OTTO	E 818 NAVIGATION BLVD CORPUS CHRISTI	TX	78408-0000
BLICK	JAMES	W 3390 WEST UNION AVENUE ENGLEWOOD	CO	80110-0000
BLISS	VIRGINIA	655 ONEIDA ST DENVER	CO	80220-5524
BLOCK	HELEN	953 HOLLY HILL RD MONROE	CA	30655-0000
BLOCK	ROY	953 HOLLY HILL RD MONROE	CA	30655-0000
BLOWERS	HERBERT	53 GREYSTONE RD CARLISLE	PA	17013-0000
BODROGI	ISTVAN	649 S HENDERSON RD D201 KING OF PRUSSIA	PA	19406-0000
BONNER	BILLY	B 4390 E PIKES PEAK COLORADO SPRINGS	CO	80909-6789
BORDLEY	SHANNON	USS ORION AS 18 FPO NEW YORK 09513	FA	00000-0000

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BORNES	QUARTRE	4 DEPINAY AVENUE MAURITIUS	FA 00000-0000
BOUCHER	BOBBY	4506 43RD ST LUBOCK	TX 79414-0000
BOUCHER CHEVROLET		202 CARROLL ST WAUKESHA	MI 53186-0000
BOWEN	KAREN	N 2055 CARLING AV 1220A OTTAWAPATER K2AL FA 00000-0000	
BRADBURY	MARK	EASTLEIGH MARKS YORKTOWN HTS FA 00000-0000	
BRAUN	MONICA	911 DUCHESS CIRCLE MURFREESBORO	TN 37129-7058
BRIGGS	BARTON	E USS INDEPENDENCE CV 62 FPC NEW YORK 09537	FA 00000-0000
BROOKS	PATRICIA	32 SUNNYVIEW DR PHOENIX	MD 21131-0000
BROUSSARD	MATTHEW	958 1 2 E SO LEWIS NEW IBERIA	LA 70560-0000
BROWN	DONNA	J RTE 2 BOX 105X DECATUR	TX 76234-0000
BROWN	JILL	M BOX 276 89 CONSTITUTION NEW ORLEANS	LA 70142-0000
BROWN	KENNETH	L RTE 2 BOX 105X DECATUR	TX 76234-0000
BROWN	STEVEN	M FPO NEW YORK 095173310 FA 00000-0000	
BROWNFIELD	CHARLES	S 600 510 CHATHAM PARK DRIVE PITTSBURGH	PA 00000-0000
BRUDER	SCOTT	5502 HEIDLER RD FAIRVIEW	PA 16415-0000
BUHLER	MARIA	5105 HALES DR OKLAHOMA CITY	OK 73112-0000

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BURGWIN	LUCILLE	A 2222 ROSSER AVE BRANDON	MA 00000-0000
BURRELL	DAWN	R 7 BOX 685 BRYAN	TX 77803-0000
BUTLER	DARYLE	1895 PLAZA LN SW ATLANTA	GA 30311-0000
BUTLER	RAYMOND	LOT 53 500 PULASKI RD GOOSE CREEK	SC 29445-6136
CABRERA	HENRY	5212 PAGE ST MACRERO	LA 70072-0000
CALABRESE	BART	APARTMENT 265 16831 NORTH 58TH STREE SCOTTSDALE	AZ 85254-0000
CALIFORNIA FRANCHISE TAX BOARD			00000-0000
CALIVA	JANICE	E LITTLE UPTON S ALKHAM ENGLAND	FA 00000-0000
CALIVA	VICTOR	P LITTLE UPTON S ALKHAM ENGLAND	FA 00000-0000
CALLAGY	WALTER	PO BOX 999 SOUTHFIELD	MI 48037-0000
CAMPBELL	JACK	2000 ASPEN WAY EDMOND	OK 73034-0000
CAMPBELL	JUNE	11802 S APPALOOSA DR PHOENIX	AZ 85044-0000
CAMPOS	JUAN	2104 HERON AVE MCALLEN	TX 78504-0000
CANNON	HARRY	OKLAHOMA CITY	OK 73100-0000
CANNON	JAMES	OKLAHOMA CITY	OK 73100-0000
CANNON	NATHANIEL	6935 W FAYETTEVILLE RIVERDALE	GA 30296-0000

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CANNON	ROGER	D CO A 5TH 7TH CAV FT HOOD	TX 76544-0000	CHANG	KUMSOON	HIGASHI 1082 NAGAO KEN OHKAWA GUN FA 00000-0000
CAPITOL FEDERAL SAVINGS		2625 SOUTH COLORADO BLVD DENVER	CO 80222-0000	CHAPMAN	LEONARD	8620 STEPHENS WARREN MI 48089-0000
CAPPOTTO	DARRIN	FPO SAN FRAN 966462575	FA 00000-0000	CHARLES	ANTHONY	USS FORRESTAL CV 59 FPO MIAMI 340802730 FA 00000-0000
CAREY	ARTHUR	USS SEATTLE AOE 3 FPO NEW YORK 09597	FA 00000-0000	CHARPIGNY	PASCAL	N FRANCE FA 00000-0000
CARPENTER	ROBERT	FPO SAN FRAN 966362810	FA 00000-0000	CHARUHAS	HELEN	ATHENS GREECE 23 SALAMINOS CHOLARGOS GREECE FA 00000-0000
CARREGA	TIMOTHY	NABC BOX 8 WARMINSTER	PA 18974-5000	CHARUHAS	WILLIAM	ATHENS GREECE 23 SALAMINOS CHOLARGOS GREECE FA 00000-0000
CARREL	KENNETH	E FPO SAN FRAN 966631410	FA 00000-0000	CHAU	NGUYEN	V 4237 DUFFERIN NORTHYORK ONTARIO CANADA FA 00000-0000
CARTER	ANDREW	W FPO NEW YORK 095771815	FA 00000-0000	CHEN	YEN	C 46 MALIBU DRIVE EATONTOWN NJ 07724-0000
CARTER	STEVEN	267 CHEMICAL CO APO SAN FRANCISCO CA	FA 00000-0000	CHEUNG	JANICE	116 NANKING E RD SC2 TAIPEI TAIWAN FA 00000-0000
CASCIO	DANIEL	P APT 92 7678 HWY 90 W SAN ANTONIO	TX 78227-4007	CHIANG	MAI	K KOWLOON HONG KONG FA 00000-0000
CASSELL	NOREN	M 1936 TENTH ST 1913 TENTH ST LAVERNE	CA 91750-0000	CHISHOLM	ALAN	J 224609 CHANCEL ST MT CLEMENS MI 48043-0000
CASTOR	ANDREW	838 NORTH 6TH STREET FORT DODGE	IA 50501-2547	CHU	TUNG	C RICHMOND B C V7C 4E7 CA CANADA FA 00000-0000
CASTOR	CLAIRE	838 NORTH 6TH STREET FORT DODGE	IA 50501-2547	CHUDZINSKI	MAREK	4 DEANS CT LONDON ENGLAND FA 00000-0000
CEHAICH	CRAIG	E USS CAYUGA LST 1186 FPO SAN FRAN 96662	FA 00000-0000	CHUNG	EUN	J 2 87 5 YOUNHEE 3 DONG SEODAEMOON KU KOREA FA 00000-0000
CHA	JAMES	TAIWAN	FA 00000-0000	CHUNG	JINYOUNG	2 87 5 YOUNHEE 3 DONG SEODAEMOON KU KOREA FA 00000-0000
CHALMERS	JESSEE	24 TREBLING LANE WILLINGBORO	NJ 08046-0000	CIMINO	VALERIE	APT 934 2612 VERANDAH LN ARLINGTON TX 76006-2647

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CITIBANK INS AGENCY	800 SILVER LAKE BLVD PO BOX 7034 DOVER	DE 19903-0000			
CLARK	DELORES	PO BOX 70102 ALBANY	GA 31707-0000		
CLARK HARVESTORE SYSTEMS INC		2300 INDIAN HILLS DR 2 103 SIOUX CITY	IA 51104-0000		
CLAYTONROE	ANNE	M 1108 HAYSBORO NASHVILLE	TN 37216-0000		
CLESSON	CRAIG	151 WEATHERS CT SUMMERVILLE	SC 29483-0000		
CLEVELAND TRAMRAIL TOLEDO					
CLIFFHANGER SERVICES INC		PO BOX 413 FAIRBURN	GA 30213-0413		
CORFIN	GEORGE	1833 BRIARCLIFF FAYETTEVILLE	AR 72701-0000		
COLE	CHRISTINA	H USS YOSEMITE AD1956 APO MIAMI 340832510	FA 00000-0000		
COLEMAN	CHRISTOPHER	FPO SAN FRAN 966615000	FA 00000-0000		
COLLAZO	MIRTA	L BOX 5855 AIBONITO PR 00609	FA 00000-0000		
COLORADO STATE OF					
COLSON	VAN	M 64 APPLE RUN LN HILLSDALE	MI 49242-5029		
CONFERENCE ON EVALUATION & EMOTIONS INS	ZAKLAD PSYCHOLOGII PAN		FA 00000-0000		
CONNER	DENNIS	E USS FORRESTAL CV 59 FPO MIAMI 34080	FA 00000-0000		
CONTEL OF CALIFORNIA					
			IL 00000-0000		

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COONS	DAVID	L USS PUGET SOUND AD 38 FPO NEW YORK 09544	FA 00000-0000		
CORKERN	MARVIN	L USS CV RICKETTS DDG 5 G DIV FPO NEW YORK 09586	FA 00000-0000		
CORONADO	RAMIRO	1715 NOLANA 3 MCALLEN	TX 78501-0000		
COSTELLO	STEVEN	FPO SAN FRAN 966621251	FA 00000-0000		
COSTON	SANDRA	969 W SEVENTH STREET PLAINFIELD	NJ 07060-0000		
COURTESY CHEV PONT		116 5TH AVE S LEWISTON	MT 59457-0000		
COX	DEWEY	RT 3 BOX 1504 ORANGE	TX 77630-0000		
COX	JAMES	A APT G2 2494 ETIWAN AVE CHARLESTON	SC 29407-0000		
CREEM	DAYNA	L BEQ 60 BOX 075 W NNNC BETHESDA	MD 20814-0000		
CRINAN	JAMES	C FPO NEW YORK 095362590	FA 00000-0000		
CULBERT	SAMUEL	HL LAFAYETTE 3040 MATHERS HILL D	FA 00000-0000		
CULLUM	LYLE	K FPO NEW YORK 095731452	FA 00000-0000		
CUNA BROKERAGE SERVICES INC		2000 HERITAGE WAY WAVERLY	IA 50677-0000		
CUNNINGHAM	JOHN	E 46 MALIBU DRIVE EATONTOWN	NJ 07724-0000		
CURRIE	JAMES	PO BOX 798 LILLIAN	AL 36549-0000		
CUTLIP	DAVID	K FPO SAN FRAN 966721238	FA 00000-0000		

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CUYAHOGA FALLS CITY OF

IL 00000-0000

CYTAG IOWA STATE UNIVERSITY

IA 00000-0000

D C COURT OF APPEALS CLERK

DC 00000-0000

DAGGETT PAUL

398 27 1 2 RD
GRAND JCT

CO 81501-0000

DAGUE KAREN

9569 HAZELTON
REDFORD

MI 48239-0000

DAHL ELEANOR

81 FREEDOM DR
MONTPELIER

VT 05602-0000

DALESANDRO ERMAN

FPO NEW YORK 095871176

FA 00000-0000

DANGERFIELD BEN

50 SUNSET COURT
MAHWAH

NJ 07430-0000

DANGERFIELD ENID

50 SUNSET COURT
MAHWAH

NJ 07430-0000

DATES ROBERT

PO BOX 360539M
PITTSBURGH

PA 00000-0000

DAVID SCOTT REED

4330 BERGER AVENUE
BALTIMORE

MD 21206-0000

DAVIDSON R

G CALGARY ALTA CANADA AB CA T3HRMG
FA 00000-0000

DAVIDSON THOMAS

PO BOX 608
MADISONVILLE

TN 37354-0000

DAVIS BARBARA

A 1138 SILES AVENUE
OAKFORD

PA 19053-3645

DAYE KEITH

M USS AMERICA CV 66 FPO NEW YORK 09531
FA 00000-0000

DELAROSA ENRIQUE

2600 S 26TH ST
MCALLEN

TX 78503-7811

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DELTA PREMIUM FINANCE CO INC
PO BOX 29844
ATLANTA
GA 30359-0844

DEPARTMENT OF STATE NYC

DERYLO DENIS
M 15058 E MEXICO DR
AURORA
CO 80012-0000DEWILFOND DAVID
J 1325 S AVE
MARION
IA 52302-0000DEWILFOND TYLER
R 1325 S AVE
MARION
IA 52302-0000DEWINJE JENNIE
NORWAY
FA 00000-0000DICKINSON FRED
1721 ASHLEY HALL RD
CHARLESTON
SC 29407-0000DICKS ROBERT
J 8905 SPRINGLAKE DR
AUSTIN
TX 78750-0000DIETERICH ROLF
H 7122 BESIGHEIM
WEST GERMANY
FA 00000-0000DILLING MICHAEL
402 M ROAD B
LARSON
SC 29456-0000DIMITRA IOANNIS
DIMOHAROUS 29 ATHENS
GREECE
FA 00000-0000DIMITRAS ANDREANNA
DIMOHAROUS 29 ATHENS
GREECE
FA 00000-0000

DISTRICT OF COLUMBIA TREASURER

DC 00000-0000

DOBBINS DAVID

M ADOLF KOLPING STR 5 8783 HAMMELBURG
GERMANY
FA 00000-0000

DOBOS KAROLY

RUHFUSSTR 14 4600 DORTMUND 30
DORTMUND GERMANY
FA 00000-0000

DONALDSON JENRETTE

1 PERSHING PLAZA PO BOX 2052
JERSEY CITY
NJ 07399-0001

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DONALDSON	LUGKIN	1 PERSHING PLAZA PO BOX 2052 JERSEY CITY NJ 07399-0001
DONOVAN	ROBERT	1248 RIVERSIDE AVENUE BALTIMORE MD 21230-0000
DOOLITTLE	CLIFTON	L 113 KENDALL COURT DOVER NJ 07801-0000
DOUGTHY	CHARLES	TO THE ESTATE OF FRANKFORD DE 19945-0000
DOWNS	RENE	1219 DULANEY VALLEY RD BALTIMORE MD 00000-0000
DREYER	JOHN	W 3518 FRANKLIN AVENUE LOVELAND CO 80537-0000
DURAY	SAM	2137 BANIFF CT GRAND JUNCTION CO 81503-1032
E SYSTEMS GARLAND FCU		PO BOX 660023 DALLAS TX 75266-0023
EASLEY	JESS	PO BOX 10 MYRTLE BEACH SC 29578-0000
EDWARDS	EUGENE	T 700 1 2 CHEROKEE ST LEAVENWORTH KS 66048-2467
EGGERT	SANDRA	A PO BOX 8951 ASPEN CO 81612-9999
ELKINS	THOMAS	J 23671 BOLAM WARREN MI 48089-0000
ELLISCARTER	WILLIAM	406 WASHINGTON ST TUSKEGEE INSTITUTEAL AL 36088-2848
ERICKSON	CHRISTI	6506 HERITAGE BLOOMFIELD MI 48033-0000
ERNI	ELISABETH	H WEINBERGHOHE 10B SWITZERLAND 6300ZUG FA 00000-0000
ESPINOZA	ALFREDO	1101 BLUEBONNET DR HAKLINGEN TX 78550-0000

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ESTELA	BLANCA	1212 E NOCTA ONTARIO CANADA FA 00000-0000
EULA		3016 COMMONWEALTH IRVING TX 75062-0000
EVANGELISTA	JOSE	FPO SAN FRAN 966611431 FA 00000-0000
EVANGELOU	DEMETRIOS	POLIDEFKOUS 68 PIREAS GREECE FA 00000-0000
EZAWA	HIROSHI	BUNKYO KU 1 25 5 HONKOMAGOME TOKYO 113 JAPAN FA 00000-0000
EZAWA	YOSHIKO	BUNKYO KU 1 25 5 HONKOMAGOME TOKYO 113 JAPAN FA 00000-0000
F NIIZEKI GLOBAL LOGISTS SYS		ATRICOM WING B 6 FL FRANKFURT GERMANY FA 00000-0000
FALLS	WILLIAMS	POB 545 NOGALES AZ 85628-0545
FALVEY	DANIEL	E APT 3 1004 HOUSTON AVE SILVER SPRING MD 20912-7315
FARMER	CYNTHIA	911 DUCHESS CIRCLE MURFREESBORO TN 37129-7058
FAUCHEAUX	TIMMY	USS KITTYHAWK CV 63 FPO SAN FRAN 96634 FA 00000-0000
FAY	VERONICA	19 PINELAND ROAD HILTON HEAD ISLAND SC 29926-0000
FELSHE	JOSEPH	G 334 MORELAND CIR PRESCOTT AZ 86303-4035
FELSHE	MARIE	K 334 MORELAND CIR PRESCOTT AZ 86303-4035
FERNANDEZ	MARIA	CHRISTI BOX 307 CORPUS CHRISTI TX 78419-0000
FINDLEY	PAUL	PO BOX 203758 AUSTIN TX 78720-0000

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FINE	EDWARD	1092 GRAYTON RD GROSSE POINT PARK	MI 48230-0000
FIORÉ	DEBERT	L SUITE 7 3885 PERKINS RD SO MEMPHIS	TN 38118-0000
FIORÉ	JAMES	V SUITE 7 3885 PERKINS RD SO MEMPHIS	TN 38118-0000
FIRST AMERICAN SERVICES		160 SUMMIT AVENUE MONTVALE	NJ 07645-0000
FIRST SENECA BANK & TRUST		201 S BROAD ST GROVE CITY	PA 16127-0000
FISCHER	MARY	L 8555 WEST TENNESSEE PLACE LAKEWOOD	CO 80226-0000
FISHER	ELTON	TO THE ESTATE OF NEWARK	NJ 07108-0000
FISHER	GILBERT	USS AMERICA CV 66 FPO NEW YORK 09531 FA 00000-0000	
FITZPATRICK	KATHLEEN	A PSC 60 PB BOX 1865 APO AE 09641 AE	FA 00000-0000
FITZPATRICK	ROBERT	P PSC 60 PB BOX 1865 APO AE 09641 AE	FA 00000-0000
FLEMING	JOSEPHINE	V 29107 SOUTH FLEMING ROAD EVERGREEN	CO 80439-0000
FLICKINGER	DERECK	M 215 20TH STREET NE CEDAR RAPIDS	IA 52402-0000
FLICKINGER	FLICKINGER	2905 15TH AVE PORT HURON	MI 48060-0000
FLICKINGER	JEAN	215 20TH STREET NE CEDAR RAPIDS	IA 52402-0000
FOSTER	HELENE	M 9955 FLORIDA BLVD 175 BATON ROUGE	LA 70815-0000
FOSTER	NORMAN	R 9955 FLORIDA BLVD 175 BATON ROUGE	LA 70815-0000

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FOUST	PAT	W 117 WESLEY DR WEST MILFORD	NJ 07480-0000
FRENNE	GORAN		FA 00000-0000
FRENNE	L		FA 00000-0000
FROST	DAVID	K 332 5 N FERRY ST GRAND HAVEN	MI 49717-0000
FUENTES	PABLO	M STA BRIGIDA 2622 SGDO CORAZON PUERTO RICO	FA 00000-0000
FULFORD	JOHN	5 LYDON RD CLAPHAM LONDON SW4 O ENGLAND	FA 00000-0000
FULLER	DONALD	A 6008 RIDGECREST 132 DALLAS	TX 75231-6736
FULTON COUNTY ABSTRACT			IL 00000-0000
GALLOWAY	DURON	703 QUADE ST FOREST HEIGHT	MD 20745-0000
GARCIA	GABRIEL	PO BOX 494 ST HELENA IS	SC 29920-0494
GARCIA	MICHELLE	7409 PARKLAND EL PASO	TX 79925-0000
GARDNER	CHARLES	J 5283 TALL OAK DRIVE MARIETTA	GA 30068-0000
GARDNER	GREGORY	1704 LYON ST CORINTH	MS 38834-5865
GARDNER	ICIE	B 1704 LYON ST CORINTH	MS 38834-5865
GARDNER	JAMES	925 PENTWOOD CT BEL AIR	MD 21014-0000
GAROFALAKIS	GEORGIOS	DIMITRAKAKI 41G CHANIA CRETE GREECE	FA 00000-0000

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GAROFALAKIS	GRECIA	A DIMITRAKAKI 41G CHANIA CRETE GREECE	FA 00000-0000	GLYNN	THOMAS	26606 ANN ARBOR TRAIL DEARBORN HEIGHTS	MI 48127-1171
GARRETT	ROXIE	2618 PINE GALVESTON	TX 77551-0000	GOLDEN	DAVE	A 7995 SLAB CREEK RD HESKOWIN	OR 97149-9701
GARZA	LEONARD	2469 A NAPFLE ST PHILADELPHIA	PA 19152-0000	GOMES	VERA	P PIRACICABA 1340 RHU DO ROSARIO APT 1 FA 00000-0000	
GAST	BERT	J 100 N 20TH ST PHILA	PA 19103-1443	GONZALES COUNTY APPRAISAL			
GAUBERT	MURRAY	B 6053	FA 00000-0000	GONZALEZ	HUMBERTO	PO BOX 295 PHARR	TX 78577-0000
GELNAW	BRIAN	M 27 PINE DRIVE PARK RIDGE	NJ 07656-0000	GORMAN	JOSEPHINE	234 N 10TH ST SPRINGFIELD	OR 97477-0000
GELNER	JODY	L 4477 BERRYKNOLL DRIVE COLORADO SPRINGS	CO 80916-0000	GORMAN	KATHRYN	A APT 14 333 E 11 MILE RD ROYAL OAK	MI 48067-0000
GENINATTI	JOHN	1102 HILLWOOD LEWISVILLE	TX 75067-0000	GREATHOUSE	JOHN	11888 LONGRIDGE BATON ROUGE	LA 70816-0000
GENLID	NICLAS	PO BOX 4401 ASPEN	CO 81612-0000	GREEN	JOHN	J STE 301 H4T1V6 ST LAURENT CD	FA 00000-0000
GEORGIA STATE OF				GREER	MERCEDES	342 E BARNARD ST WEST CHESTER	PA 19382-3114
CHAFFAIR	JAHANGIR	BEHJAT ABAD APTS BLOCK 2 35 TEHRAN IRAN	FA 00000-0000	GREGG	GLORIA	D 12272 145TH LANE NORTH LARGO	FL 33544-0000
GIBBONS	JAMES	C 7412 N HEATHCLIFF AVE TUSCON	AZ 85741-2012	GREGG	RAYMOND	R 12272 145TH LANE NORTH LARGO	FL 33544-0000
GIBBS	OCEANUS	S USS FOX CG 33 FPO SAN FRAN 966651156 FA 00000-0000		GREINER	THOMAS	M 449 S 7TH WASHINGTON	IA 52353-0000
GIPSON	TERRENCE	628 WICHITA SHREVEPORT	LA 71101-0000	GROOMS	WAYNE	A PO BOX 8951 ASPEN	CO 81612-9999
GIVEN	KENNEDY	16 ST KEVINS GARDENS DARTRY DUBLIN IRELAND	FA 00000-0000	GROSS	DWAYNE	3334 E SOUTHERN 21 PHOENIX	AZ 85040-0000
GLENN	MARJORIE	4531 LEIPER ST PHILADELPHIA	PA 19151-0000	GRUNKMEYER	MARY	J 1420 NW 14TH PLACE CORVALLIS	OR 97330-0000

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GUARDIOLA	ANDY	APT 122 505 WESTMONT AVENUE DALLAS	TX 75211-0000
GUARDIOLA	LEON	APT 122 505 WESTMONT AVENUE DALLAS	TX 75211-0000
GUARDIOLA	OLIVIA	APT 122 505 WESTMONT AVENUE DALLAS	TX 75211-0000
GUNYULA	PETER	510 RIGGS CT FREDERICK	MD 21701-0000
GUTIERREZ	NOEL	9406 PINE ACRES DR HOLLAND	MI 49424-0000
GUTIERREZ	RUBIN	1310 KINGS PT GRANIT SHOALS	TX 78654-0000
GUY	JASON	R CL OYSTER SHELL RD WILMINGTON ISLAND	GA 31410-0000
GYULAI	MARIA	RUHFUSSR 14 4600 DORTMUND 30 DORTMUND GERMANY	FA 00000-0000
HADLER	DANA	411 HARVEY RD 108 COLLEGE STATION	TX 77840-0000
HAGGAR	MELVIN	G 44 PARKVIEW HTS TRENTON	FA 00000-0000
HAGGAR	SHIRLEY	44 PARKVIEW HTS TRENTON	FA 00000-0000
HAINES	LAURA	J 17242 MEADOWBUTTE HOUSTON	TX 77090-0000
HAINES	ROBERT	T 17242 MEADOWBUTTE HOUSTON	TX 77090-0000
HALL	JAMES	PO BOX 931 GAYLORD	MI 49735-0000
HAMBROCK	DONALD	USS DIXON AS 37 FPO SAN FRAN	FA 9664826
HAMILTON	GEORGE	PO BOX 8 TYRONE	PA 16686-0000

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HAMPTON	KEVIN	3476 KINGSWOOD TRAIL DECATUR	GA 30034-0000
HARMON	WALTER	R APT 133 6319 WOODWAY FT WORTH	TX 76133-0000
HARPER	MACK	A 1221 ELLIOT BROWN MOULTRIE	GA 31744-0000
HARRISON	RAPHAEL	H PO BOX 652 EAGLE LAKE	TX 77434-0000
HART	WILLIAM	USS LOS ANGELES SSN 688 FPO SAN FRAN 96671	FA 00000-0000
HASEGAWA	WALLACE	4014 PALUA PLACE HONOLULU	HI 96816-3934
HATCHER	ROBERT	W FPO NEW YORK 095671261	FA 00000-0000
HAWKINS	R	M 4477 BERRYKNOLL DRIVE COLORADO SPRINGS	CO 80916-0000
HAWKS	LUCILLE	3 W LODGES LANE BALA CYNWYD	PA 19004-0000
HAZELTINE	LAMBERT	USS PRAIRIE AD 15 FPO SAN FRAN 96639	FA 00000-0000
HEFFLEY	PAUL	E APT 2710 2888 ALA ILIMA HONOLULU	HI 96818-0000
HELDRELARS	LARS	D 1184 OSLO NORWAY	FA 00000-0000
HEMLING	JOHN	7316 GREENBANK RD BALTIMORE	MD 21220-0000
HENRIQUES	MARK	1207 BRANALEY ONTARIO CANADA	FA 00000-0000
HENSEL	GARY	R POCAHANTAS	AR 72455-0000
HERBST	CLIFFORD	5 PASILLO LN HOT SPRINGS NATL PK	AR 71909-3826

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HERNANDEZ	BERNARD	A LYN DHU ST RD A EXETER DEVON ENGLAND	FA 00000-0000
HERR	FREDERICK	A FLEET POST OFFICE SAN FRANCISCO	FA 00000-0000
HERRING	ROBERT	27 MAIN STREET NEW HAVEN	CT 06511-0000
HICKMAN	ALBERT	66 S CLARKSON ST 9 DENVER	CO 80209-0000
HICKMAN	SARAH	66 S CLARKSON ST 9 DENVER	CO 80209-0000
HIDER	DORIS	136 WITHROW AVE TORONTO CANADA	FA 00000-0000
HILTON	DENIS	J ZIMMER B2 1 MANNHEIM D 6800 GERMANY	FA 00000-0000
HILTON	IAN	TREGARTH NORTH WALES 00000 UNITED KINGDOM	FA 00000-0000
HIMMEL	ERIKA	DIEGO DE ALMAGRO NO 5005 SANTIAGO CHILE	FA 00000-0000
HINTON	MARGARET	A 1222 PLAZA CIRCLE JOPPA	MD 21085-0000
HIRST	JULIAN	22 PAMBROKE PL LONDON W86EU ENGLAND	FA 00000-0000
HITT	PATRICIA	GROSSTOWN RD BOX 220 BRYANTOWN	MD 20617-0000
HO	HWAI	33 OXFORD PLEASANT RIDGE	MI 48069-0000
HODGE	KENNETH	P 655 CUMBERLAND PHYSICAL EDUCATION BO DUNEDIN	FA 00000-0000
HOEHN	CINDY	C 512 HILLWOOD NASHVILLE	TN 37205-1235
HOFMAN	RUTH	2178 BUCKINGHAM DR JAMISON	PA 18929-0000

DEPARTMENT OF FINANCIAL INSTITUTIONS

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HOGAN	JEFFREY	PO BOX 157 SCHRIEVER	LA 70395-0000
HOLM	SYLVIA	M DK 2840 H DRONNINGGARDS ALLE 1B ST T DENMARK	FA 00000-0000
HOLMAN BOILER WORKS		1956 SINGLETON BLVD DALLAS	TX 75212-0000
HOOVER	HAROLD	R 2 4541 N ROMERO TUSCON	AR 85700-0000
HOOVER	PATRICIA	M 2 4541 N ROMERO TUSCON	AR 85700-0000
HORI	SHIGEAKI	JAPAN 870 UENOCAOKA	FA 00000-0000
HORLACHER	JEFFREY	7 HUNTINGTON ST NEW LONDON	CT 06320-0000
HOROWITZ	BERNARDO	RECIFE 500 000 PERNAMBUCO BRAZIL	FA 00000-0000
HOWE	SHIRLEY	J 2467 EMOGENE MOBILE	AL 36606-0000
HOY	MARION	2245 BAYWOOD DR BILOXI	MS 39532-0000
HUBERT	VICTORIA	343 E MARSHALL NORRISTOWN	PA 19401-0000
HUDSON	MARIE	RILEY ALBERTA CANADA	FA 00000-0000
HUNT	THELMA	2440 KENDALL DETROIT	MI 48238-0000
HUTERER	FRANZ	IMGUT 3 WEST GERMANY GERMANY	FA 00000-0000
HYER	LANEY	A 1204 US 20 WEST TERRACE ACRES MICHIGAN CITY	MI 66360-0000
HYER	RONALD	L 1204 US 20 WEST TERRACE ACRES MICHIGAN CITY	MI 66360-0000

DEPARTMENT OF FINANCIAL INSTITUTIONS

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IAHIZUKA	KUMIKO	697 13 NAKAMURAHARE ODAWARA KANAGAWA JAPAN	FA 00000-0000
IBANEZ	JORGE	F 659 ADAMS AVE ELIZABETH NJ	07201-0000
IGLESIAN	EDUARDO	S 1111 NO WOODWARD A207 BIRMINGHAM MI	48009-0000
INAGAKI	TATSUTOSHI	WRAWA SHI SAITAMA KEN JAP	FA 00000-0000
INDEPENDENCE ONE		PO BOX 5125 SOUTHFIELD MI	48086-0000
INTERNATIONAL PAPER CO		2000 HARRISON DR CLINTON IA	52732-0000
IOTA	TAU	S 1512 PINNACLE DRIVE WATERLOO IA	50701-4671
ITO	MISAKO	6 14 MINATOJI PORTOPIA PLAZA 504 KOBE 650 JAPAN	FA 00000-0000
IVERSON	H	I 1268 N 6 ST PT D LARAMIE WY	82070-0000
IVERSON	ROGER	L 1268 N 6 ST PT D LARAMIE WY	82070-0000
IZZETT	HOWARD	5344 WENDY RD ELDERSBURG MD	21784-0000
JACKSON	MICHAEL	USS THORNE DD 988 FPO MIAMI 340931226	FA 00000-0000
JAKSRAZAKA	NORIHISA	A 11 10 505 MFHGSNCH HYOGO	FA 00000-0000
JAMES	MAX	J FPO SAN FRAN 966781246	FA 00000-0000
JAMES G MCMAHON TRUST		23100 EAST JEFFERSON ST ST CLAIR SHORES MI	48080-0000
JANKUS	JURGIS	RT 1 BOX 48 F TISHOMINGO MS	38873-0000

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JAPAN MARTIAL ARTS SOCIETY		CPO BOX 270 TOKYO JAPAN	FA 00000-0000
JAVITCH	RONALD	1460 DR PENFIELD AVE MONTREAL CANADA	FA 00000-0000
JEFFERSON	REGINALD	6175 BERMUDA LN MT MORRIS MI	48458-0000
JEFFREYS	H	PO BOX 6784 DOTHAN AL	36302-0000
JENNINGS	ROBERT	D 309 WILSON LOOP LEESVILLE LA	71446-0000
JETER	CHRISTOPHER	PO BOX 1094 PILOT POINTE TX	76258-0000
JETER	DOROTHY	L PO BOX 4455 HOUSTON TX	77210-0000
JETER	THOMAS	PO BOX 4455 HOUSTON TX	77210-0000
JIM WALDRON PONT BUICK		1146 SOUTH STATE ST DAVISON MI	48423-0000
JOHNSON	ARLENE	81 SMITH STREET NEWARK NJ	07106-0000
JOHNSON	LARRY	E KEOKUK IA	52632-0000
JOHNSON	MURIEL	C O 3148 TALL TIM FA	00000-0000
JOHNSON	RICKY	T 813 CLIFTON AVE CHARON HILL PA	16544-0000
JOHNSON	RONALD	K USS SIERRA AD18 ENG DEPT A DIV FPO MIAMI 340842505	FA 00000-0000
JONES	BILLIE	4545 N 67TH AVE 1437 PHOENIX AZ	85033-0000
JONES	CHARLOTTE	D 1599 DALOU MONTREAL H3W264 CANADA	FA 00000-0000

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JONES	EARL	22925 67ST BANGOR	MI	49013-0000
JONES	MARY	PO BOX 317 HARBOR SPRINGS	MI	49740-0000
JONES	ROBERT	61 HANDY RD LEVITTOWN	PA	19056-0000
JONES	VIOLA	R 7535 N E JONESMORE PORTLAND	OR	97213-0000
JOSEPH	SOPHIE	PO BOX 51 TREVOR	WI	53179-0000
JOSLYN	FREDERICK	USS KANSAS CITY AOR 3 FPO SAN FRAN 96670	FA	00000-0000
JUDGE	THOMAS	P PO BOX 168 PORT CLYDE	ME	04855-0618
KANAIZUMI	RYUICHIRO	27 7 SHINOHARDADI MACHI JAPAN	FA	00000-0000
KARABATSOS	JOANN	AEGINS 25 PEFKAKIA NEA IONIA ATHENS GREECE	FA	00000-0000
KARABATSOS	ZAHAROULA	AEGINS 25 PEFKAKIA NEA IONIA ATHENS GREECE	FA	00000-0000
KAUFMANN	DALE	C 2240 E DERENNE AVE SAVANNA	GA	31406-0000
KEATING	GERALYN	M 1165 ANNA ST TEANECK	NJ	07666-4807
KEBEDE	BELA	ETHIOPIAN LINES 20 TAFAWO LAGOS NIGERIA	FA	00000-0000
KELSO	JOHN	6377 CHEVY CHASE DR 219 HOUSTON	TX	77057-3411
KENNEDY	THOMAS	290 HORTON DETROIT	MI	48202-0000
KHADDAM	JAMAL	A PO BOX 58540 RIYADH SAUDI ARABIA	FA	00000-0000

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KINDBLADE	STAN	S KINDBLADE P 232613 ANCH	AK	99523-0000
KING	BRIAN	BOX 41 NAS ADAK FPO AP 98791	FA	00000-0000
KING	SHERRY	BOX 41 NAS ADAK FPO AP 98791	FA	00000-0000
KING	WALTER	7429 MEADOW CREEK FORT WORTH	TX	76133-0000
KIRIAKO	SHIRLEY	5303 VICTORIA E2 PONTIAC	MI	48054-0000
KNIGHT	FELICIA	PO BOX 443 MISSOURI CITY	TX	77459-0000
KNOX	LECA	L LOT 163 1700 ROBBINS RD GRAND HAVEN	MI	49417-0000
KOLTON		3602 PRATHER CT ARLINGTON	TX	76017-0000
KOUNCHEV	OGNYAN	I ACAD G BONCHEV ST I 1113 SOFIA BULGARIA	FA	00000-0000
KRLOVIC	LJILJANA	UL DRAGACEVSKA BR 28 CACAK YUGOSLAVIA	FA	00000-0000
KRUSZKA	JOSEPH		FA	00000-0000
KRYSTAL CAD OLDS		1510 YORK ROAD GETTYSBURG	PA	17325-0000
KUFRIN	JOSIP	GORNJA PURGARIJA KBRIO JASTREBARSKI FA	00000-0000	
KUTELMACH	MICHAEL	708 EDWARD LN WEST GROSHEN	PA	19380-0000
LAFAVE	CATHERINE	1013 WOODSIDE TRAIL APT TROY	MI	48098-0000
LAKATOS	SCOT	DANBURY	CT	00810-0000

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LAMB	BRIAN	D 10457 REST HAVEN DR 211 SIDNEY FA 00000-0000
LAMB	L	A 10457 REST HAVEN DR 211 SIDNEY FA 00000-0000
LANE	WILLIAM	715 DON JUAN DRIVE COLORADO SPRINGS CO 80909-0000
LASHLEY	CLARENCE	6850 ROYAL PALM B D MARGATE FA 00000-0000
LAZO	ELEAZAR	316 CINCINNATI AVE SAN ANTONIO TX 78201-0000
LAZOVIC	ZELJKO	UL DRAGACEVSKA BR 28 CACAK YUGOSLAVIA FA 00000-0000
LEDERGERBER	THOMAS	A RAUHALDE 19 7770 UBERLINGEN WEST GERMANY FA 00000-0000
LEE	CHIAMING	254 RUE DEMERS J3G 4Y7 BELOEIL CANADA FA 00000-0000
LEE	HEEWOO	APT 303 701 DAEJON S KO FA 00000-0000
LEITE	ANTONIO	D CALCADA DA ESTRELA 1200 LISBOA PORTUGAL FA 00000-0000
LEWIS	JOEL	FPO SAN FRAN 966342770 FA 00000-0000
LEWIS	MALCOLM	R 2609 ROOSEVELT AVE VICKSBURG MS 39180-4348
LILLY	SUSAN	1219 OAKCREST ST IOWA CITY IA 52246-0000
LINCENBERG	SHELDON	8675 COLONY CLUB DR ALPHARETTA GA 30202-0000
LINGO	JAMES	SUITE 3 2304 HANCOCK AUSTIN TX 78756-0000
LORKEN	MARGARET	E 220 W ELM COLUMBUS KS 66725-1715

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LONG	JAMES	B USS SIERRA AD 18 DIV M FPO MIAMI 340842505 FA 00000-0000
LOPEZ	ANN	106 LON PNRHYN GWYND UK LL79 BR FA 00000-0000
LOS ANGELES COUNTY PROBATION DEPT		
LUEBBERT	JORGE	MAR APDO POST 590 GUAYMAS SONORA MEX FA 00000-0000
LUEBBERT	JULIO	MAR APDO POST 590 GUAYMAS SONORA MEX FA 00000-0000
LYNCH	PEARL	407 ANDREA HANAHAN SC 29400-0000
LYNCH	VERICK	407 ANDREA HANAHAN SC 29400-0000
LYONS	JEANETTE	3603 MANHATTAN DR DECATUR GA 30034-0000
LYSTER	B	PO BOX 999 SOUTHFIELD MI 48037-0000
MACHURES	THOMAS	D AUT HERAKLIOU 53 AMAROUSIO GREECE FA 00000-0000
MACK PONTIAC CADILLAC BOBCIASULLI PONT		330 ROUTE 37 EAST TOMIS RIVER NJ 08753-0000
MACKLEY	DWIGHT	R 861 S 6TH AVE BRIGHTON CO 80601-0000
MACQUAIG	MARY	E 4019 EDEN DR WINDSOR CANADA FA 00000-0000
MAEURER	PETER	A HARTHAUSER STR 10 E MUNICH GERMANY FA 00000-0000
MAGED	JACK	5491 VICTORIA 231 MONTREAL CANADA FA 00000-0000
MAGEE	JOSEPH	P USS STUMP DD 978 FPO NEW YORK 09587 FA 00000-0000

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MAGILL	ELIZABETH	APT 302 2280 S OSWEGO WY AURORA	CO 80014-0000
MAHONEY	PATRICK	26 MADISON STREET MORRISTOWN	NJ 07960-0000
MAKOW	WILLIAM	1217 MAPLE ST WILMINGTON	DE 19805-0000
MANZI	GERARDO	UXBRIDGE ONTARIO ONTARIO 0 CANADA	FA 00000-0000
MARBELLA	ANNE	APT 4 2015 MCCLENDON HOUSTON	TX 77030-0000
MARGARIS	STELLA	ZAIMI 10 A RION PATRE	FA 00000-0000
MARRIOTT CITY CENTER HEALTH CARE FINANC		ROOM 574 1961 SROUT STREET DENVER	CO 80294-0000
MARSHALL	PAUL	D FULHAM LONDON ENGLAND	FA 00000-0000
MARTELL	BETTY	PO BOX 1017 SAN JUAN	TX 78589-0000
MARTIN	GAIL	K 1006 ZAHNISER PITTSBURG	PA 15220-0000
MARTIN	GAIL	K 1006 ZAHNISER STREET PITTSBURG	PA 15220-0000
MARTINEZ	EDDY	2221 CHICAGO ST MCALLEN	TX 78051-0000
MARTINEZ	RONNIE	1935 W 46TH AVENUE DENVER	CO 80211-0000
MARTIRE	WALTER	F 1111 NO WOODWARD A207 BIRMINGHAM	MI 48009-0000
MASON	JAMES	N APDO POSTAL 1 1BIX GUADALAJARA GUADALAJARA	FA 00000-0000
MATTHEWS	EMMA	517 MARYLAND AVE ERIE	PA 16505-0000

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MAXIMOFF	PHILLIP	Z PALEO FALIRON ATHENS GREESE GREECE	FA 00000-0000
MAY	CYNTHIA	8018 WATERVIEW CT FREDERICK	MD 21701-0000
MAY	LEONARD	8018 WATERVIEW CT FREDERICK	MD 21701-0000
MCBRIDE	LYDONN	4507 N 24TH PLACE PHOENIX	AZ 85016-0000
MCCAMISH	SEAN	P FPO NEW YORK 095873031	FA 00000-0000
MCCARTNEY	GEORGE	D 1330 N WILSON AVE TUCSON	AZ 85719-0000
MCCLAIN	TERRI	60 OLD ALLENTOWN TYLERPORT	PA 18971-0000
MCCLINTIE	THERESA	11814 GARDEN GLEN HOUSTON	TX 77070-0000
MCCOLLOM	CLIFFORD	4117 EASTERN AVE DAVENPORT	IA 52807-1374
MCCORVEY	JIM	826 BROWN ST DAVENPORT	IA 52802-0000
MCCRAY	CRAIG	M USS PETERSON DD 969 FPO NEW YORK 09583	FA 00000-0000
MCDARIS	ERNEST	C 455 BIDDLE CG 34 FPO NEW YORK 09565	FA 00000-0000
MCHUCKIAN	JACK	HAMPSHIRE S051TP CHANDLERS FORD	FA 00000-0000
MCHUGH	ALAN	TORONTO ONTARIO M5M 1M CANADA	FA 00000-0000
MCHUGH	ELIZABETH	TORONTO ONTARIO M5M 1M CANADA	FA 00000-0000
MCCLAIN	DENNIS	2707 OAKHILLS DR DALLAS	GA 30132-0000

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MCLAUGHLIN	JAMES	R 6463 CECIL ST ST LOUIS	MO	00000-0000
MCLAUGHLIN	JANET	S 6463 CECIL ST ST LOUIS	MO	00000-0000
MCMAHON	JAMES	G 23100 EAST JEFFERSON ST ST CLAIR SHORES	MI	48080-0000
MCNAMARA	SEAN	W 6531 B 103RD ST EWA BEACH	HI	96706-0000
MCREYNOLDS	BRIAN	E APT 79 2821 LAS VEGAS TR FT WORTH	TX	76116-3115
MDG PRECISION FORGINGS		10130 LAMAR AVE OLIVE BRANCH	MS	38654-0000
MEDLIN	MARK	W 3803 GERALD ST MONROE	LA	71203-0000
MEDVED CHEVROLET		11001 W 1 70 FRONTAGE N WHEAT RIDGE	CO	32102-0000
MEISSEN	KATHRYN	POB 375 OELWEIN	IA	50662-0375
MELGAVEJO	ROSA	PO BOX 5889 BETHESDA	MD	20824-0000
MENGISTU	YEWONDWOSEN	ETHIOPIAN LINES 20 TAFAWO LAGOS NIGERIA	FA	00000-0000
MERANI	SULTANALI	4265 FALL BROOK DR DULUTH	GA	30136-0000
MERCHANTS TRUCK LINE		BOX 908 NEW ALBANY	MS	38652-0000
MERCIER	CAROLYN	M 1331 DARBY ST COLORADO SPRINGS	CO	80907-0000
MERCIER	DENNIS	L 1331 DARBY ST COLORADO SPRINGS	CO	80907-0000
MEYERHOFF	CHRISTOPH	POSTFACH 1161 HAIGER WEST GERMANY	FA	00000-0000

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MEYERS	SHAWNA	135 DRUMCLIFF CT TYRONE	GA	30290-0000
MEYERS	SHERMAN	135 DRUMCLIFF CT TYRONE	GA	30290-0000
MIDDLETON	BYRON	USS JOHN F KENNEDY CV 67 FPO NEW YORK 09538	FA	00000-0000
MIKSA	JOEL	A USS RK TURNER CG 20 FPO MIAMI 340931144	FA	00000-0000
MILES	JAMES	L 117 FOXBRIAR SLIDELL	LA	70460-0000
MILLER	ALLEN	18309 STEPHENS DR EAST DETROIT	MI	48021-0000
MILLER	CHARLES	L 106 W 7TH SCOTT CITY	KS	00000-0000
MILLER	HOWARD	M 801 KINGS CREEK	FA	00000-0000
MILLER	ULRICH	5441 AUDERATH W GERMANY	FA	00000-0000
MILLER	WESLEY		MI	00000-0000
MILLS	JOEL	2740 HORSESHOE LAKE ROAD WEST BRANCH	MI	48661-0000
MISSOURI FARE PLAN			IL	00000-0000
MOCNIK	IGOR	POSAVSKEGA 22 YUGOSLAVIA	FA	00000-0000
MODGLIN	ROGER	L 8231 S 77TH EAST AVE TULSA	OK	74133-0000
MOELLER	CREWE	PO BOX 153 SHERIDAN	WY	82801-0000
MOHR	ANN	RR 1 BOX 19 ELDRIDGE	IA	52748-9801

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MOHR	CAROLINE	A RR 1 BOX 19 ELDRIDGE	IA	52748-9801
MOORE	ESTHER	MT PLEASANT	IA	52641-0000
MOORE	JIMMIE	D RR 2 BOX 7 ALPINE	AL	35014-0000
MORALES	EVA	APT 107 2554 N E LOOP 410 SAN ANTONIO	TX	78217-0000
MORALES	WALDEMAR	APT 107 2554 N E LOOP 410 SAN ANTONIO	TX	78217-0000
MORGAN	CHARLES	5231 WINDING WAY HARRISBURG	PA	17109-0000
MORRIS	MICHAEL	D GPO SAN FRAN 966251630	FA	00000-0000
MORRISON	NEIL	NEW SOUTH WALES AUSTRALIA	FA	00000-0000
MOSLEY	IDA	B 1021 E PIERCE AVE MCLESTER	OK	74501-0000
MULLER CHEV INC		PO BOX 311 PHILLIPSBURG	NJ	08865-0000
MUNCY	CHRISTOPHER	USS PELELIU LHA 5 FPO SAN FRAN 96624	FA	00000-0000
MURAKAMI	SHINYA	962 2 SAKURAI SAKURAI	FA	00000-0000
MYRICK	BETTY	818 CHARLES ROAD HOUSTON	TX	77076-0000
NAILL	RUTH	14102 PEDDICORD RD MT AIRY	MD	21771-0000
NAJIM	T	L 13TH MAURIPUR RD KARACHI PAKISTAN	FA	00000-0000
NANA	ARTH	26 SUKUMVIT SO 111 BANGKOK THAILAND	FA	00000-0000

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NAYPAVER	DONNA	8800 S BRAESWOOD BLVD 202 HOUSTON	TX	77031-0000
NAYPAVER	STEPHEN	A 8800 S BRAESWOOD BLVD 202 HOUSTON	TX	77031-0000
NEHERA	JITKA	CASA BLANCA MOROCCO MOROCCO	FA	00000-0000
NEILANDS	PAUL	10212 KENSINGTON PKWY KENSINGTON	MD	20895-0000
NELSON	H	PO BOX 999 SOUTHFIELD	MI	48037-0000
NEW YORK DEPT OF STATE			NY	00000-0000
NEW YORK STATE DEPARTMENT OF LAW			NY	00000-0000
NEWELL	THOMAS	G USS JOSEPH HEWES OE DIV FPO MIAMI 340911438	FA	00000-0000
NICKEL	JOHN	R 1182 LOCUST DUBUQUE	IA	52001-0000
NICKEL	SANDRA	A 1182 LOCUST DUBUQUE	IA	52001-0000
NICKEL	THOMAS	C 1182 LOCUST DUBUQUE	IA	52001-0000
NOCK	DAVID	M USS DB BEARY FF 1085 FPO NEW YORK 09565	FA	00000-0000
NORERO	ALDO	CIDIAT APDO 219 MERIDA VENEZUELA	FA	00000-0000
NORERO	ELSA	CIDIAT APDO 219 MERIDA VENEZUELA	FA	00000-0000
NORMAN	RODERICK	USS TC HART FF 1092 B DIV FPO NEW YORK 09573	FA	00000-0000
NOVEY	ALIDA	C PO BOX 8385 PANAMA 999991725	FA	00000-0000

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NOVY	F	R 9 LANE 31 TIENMOU TAIWAN TAIWAN	FA 00000-0000	OLIVER	DONALD	1641 FAIRLANE AVE NE GRAND RAPIDS	MI 49505-0000
NOVY	FRANK	R 9 LANE 31 TIENMOU TAIWAN TAIWAN	FA 00000-0000	OLIVER	JOHANNA	1641 FAIRLANE AVE NE GRAND RAPIDS	MI 49505-0000
NUKII	TOSHIO	5 36 1 MAEBARAHIGASHI	FA 00000-0000	OLSON	ALAN	PO BOX 1154 FAIRFIELD	CT 06430-0000
NY DEPT STATE OF				OMAN	GERALD	E 2623 ORIOLE ROAD BROOMALL	PA 19008-0000
OBRENNAN	ISOBELLE	SITE 33 BOX 48 BLACKCREEK BC CANADA	FA 00000-0000	OMAN	LOIS	A 2623 ORIOLE ROAD BROOMALL	PA 19008-0000
OBRENNAN	JOHN	R SITE 33 BOX 48 BLACKCREEK BC CANADA	FA 00000-0000	ONEIL	KATHRYN	C 41 SPALDING TR ATLANTA	GA 30328-1066
OCCHIONERO	MICHAEL	28 KING RICHARD CT BALTIMORE	MD 21237-0000	ONO	ITTETSU	MINATO KU TOKYO JAPAN	FA 00000-0000
OCHIAi	SETSUO	FUCHU SHI 2 23 8 MIYOSHI CHO KYOTO 617 JAPAN	FA 00000-0000	OPRYSZEK	GENEVIEVE	212 DES ARTISANS AYLMEY QUEBEC J91IV CANADA	FA 00000-0000
OCONNOR	CATHERINE	1312 17TH ST BETTENDORF	IA 52722-0000	OPRYSZEK	PAUL	212 DES ARTISANS AYLMEY QUEBEC J91IV CANADA	FA 00000-0000
ODA	YOSHIKO	4 3 24 TENJIN NAGAOKAKYO SHI KYOTO 617 JAPAN	FA 00000-0000	OREY	MARIA	R CONDE MOSER 11 A 2765 ESTORIL PORTUGAL	FA 00000-0000
ODEN	SAMUEL	1050 E BALTIMORE PO BOX 5252 N S STA FLINT	MI 48505-0000	OREY	YASCO	R CONDE MOSER 11 A 2765 ESTORIL PORTUGAL	FA 00000-0000
ODEN	STEPHEN	J 1050 E BALTIMORE PO BOX 5252 N S STA FLINT	MI 48505-0000	OSMAN	IRSHAAD	M 4 DEPINAY AVENUE MAURITIUS	FA 00000-0000
OKEEFE	LYNN	D 113 SHIKK RIDGE HENDERSONVILLE	TN 37075-0000	OSTRAND	DAGMER	C NORRSEKENS GATA 4 ARVIKA SWEDEN	FA 00000-0000
OLANDER	DONELDA	L 1315 BOWWOOD CT LOVELAND	CO 00000-0000	OWEN	C	M 15614 N 24TH AVE PHOENIX	AZ 85023-0000
OLANDER	JACK	R 1315 BOWWOOD CT LOVELAND	CO 80538-0000	PAGEL	GINNETTA	PO BOX 2163 KERRVILLE	TX 78029-0000
OLANDER	KARL	E 1315 BOWWOOD CT LOVELAND	CO 80538-0000	PALUCH	KEITH	PO BOX 302 HAMPTON FALLS	NH 03844-0000

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PARANJAPE	SHARAD	V 532 NORTHRIDGE CROSSING DR ATLANTA	GA 30350-0000	PIEL	LORI	L POB 31 HUBBARD	IA 50122-0000
PARANJAPE	SUSHAMA	S 532 NORTHRIDGE CROSSING DR ATLANTA	GA 30350-0000	PLYMOUTH INC		PO BOX 5195 OPA LOCKA	FL 33014-0000
PARK	SEUNG	W CHUNGLIMDONG POHANG SEOUL KOREA	FA 00000-0000	POCHYLA	CAROL	7676 LACOSA DALLAS	TX 75248-0000
PARKER	ERNESTINE	2609 ROOSEVELT AVE VICKSBURG	MS 39180-4348	POIRIER	RAYMOND	2 SEHOOL ST TROY	NH 03465-0000
PARKER	PATRICIA	7298 GREENWAY UNIVERSITY CITY	MO 00000-0000	POPHAM	ROBERT	E 3436 N KIRWYN PHILADELPHIA	PA 19145-0000
PARKS	MARGARET	S 7 MCKNIGHT LN CLAYTON	MO 00000-0000	POWELL	DOUGLAS	161 FAIRVIEW ST 3 BARRE	VT 05641-0000
PARRETT	GERALD	RT 1 BOX 23 WEOGUFKA	AL 35183-0000	PRESCOTT	DANIEL	B 2322 BROOKDALE DR ARLINGTON	TX 76014-0000
PARRILLO	EMILY	5224 POUNDS DRIVE NORTH STONE MOUNTAIN	GA 30087-0000	PRIMEAUX	JUDITH	A 432 W JAMISON PLACE LITTLETON	CO 80120-4263
PARRILLO	JAMES	R 5224 POUNDS DRIVE NORTH STONE MOUNTAIN	GA 30087-0000	PROCTOR	DAVID	T FPO NEW YORK 095691255	FA 00000-0000
PARTIN	DAVID	J USS ORION AS 18 FPO NEW YORK 0951325	FA 00000-0000	QNSLND	UNIV	1215 ORCHID DRIVE BRISBANE AUSTRALIA	FA 00000-0000
PAYMENTS MONTHLY		PO BOX 720 GLEN ECHO	MD 20812-0000	RADCLIFFE	JOHN	7201 BRADFORD RD UPPER DARBY	PA 19082-0000
PBCC		PO BOX 5151 NORWALK	CT 06856-0000	RAGSDALE	JOHN	C	AL 00000-0000
PEAKE	CHRIST	A 2456 8TH STREET BOULDER	CO 80302-0000	RAHMANN	GUSTEL	433 MULHEIM RUHR GERMANY	FA 00000-0000
PEAKE	DENA	2456 8TH STREET BOULDER	CO 80302-0000	RAMIRESA	GERADO	4915 ANTAFF NAP	FA 00000-0000
PERRINE APARTMENTS EUGE		305 MELROSE VICKSBURG	MS 39180-0000	RANDALL	BENJAMIN	7922 MILEY HOUSTON	TX 79028-0000
PFISTER	FRANZISKA	RUETWEG 19 USTER SWITZERLAND	FA 00000-0000	RANDONE	NANCY	7 SHORT ST LODI	NJ 07644-0000

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RAPHAEL	RICHARD	FPO NEW YORK 095673015	FA 00000-0000
RATZ	NEWTON	13367 VICTORIA HUNTINGTON WDS	MI 48070-0000
REDDY	JAGGA	1709 DANUBE LANE PLANO	TX 75075-0000
REED	COLIN	J 19 WOODLAND DR BERNOR	NJ 07462-0000
REED	KEVIN	J 19 WOODLAND DR BERNOR	NJ 07462-0000
REID	ROBERT	E FPO NEW YORK 095342565	FA 00000-0000
REINHART	RICHARD	PO BOX 339 NEDERLAND	CO 80466-0000
RENNIE	FRANCISCA	9N P7 1765 WSTN RD APT 1103 WESTON ON CANADA	FA 0000-0000
RENWICK	KENNETH	USS HAMMERHEAD SSN 663 FPO NEW YORK 09573	FA 00000-0000
REYNOLDS	DORIS	PO BOX 153 SHERIDAN	WY 82801-0000
RHODES	MICHAEL	W CHIANGMAI MAIN PO GENERAL DELIVERY THAILAND	FA 00000-0000
RHODES	ROGER	R 17 REDWOOD LN BUTTE	MT 59701-4339
RHODES	TRENT	R 17 REDWOOD LN BUTTE	MT 59701-4339
RHOMBERG	TOM	914 YONGE 1504 TORONTO CANADA	FA 00000-0000
RICCIO	LISA	M 1720 BARNUM AVE STRATFORD	CT 06497-0000
RICHARDS	MARCIA	8201 ROSEWOOD LANE PRAIRIE VILLAGE	KS 66208-0000

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RIEKE	EOWYN	A 214 N WILSON TUCSON	AZ 85719-0000
RIEKE	FREDERICK	M 214 N WILSON TUCSON	AZ 85719-0000
RIEKE	GEORGE	H 214 N WILSON TUCSON	AZ 85719-0000
RISHER		340 9TH AVE PATERSON	NJ 07514-0000
RISHER	CHARLES	340 9TH AVE PATERSON	NJ 07514-0000
RIVERA	JOHN	GRAND RAPIDS	MI 49505-0000
ROACH	JAMES	E 28123 9 MANOR CT CONROE	TX 77385-0000
ROBERT MORRIS ASSN		PO BOX 8500 S 1140 PHILADELPHIA	PA 19178-0000
ROBERTSON	THOMAS	J LOT 31 958 MARGARET DRIVE LADSON	SC 29456-0000
ROBLES	MOLLY	306 S KAUFMAN ST SERGOVILLE	TX 75159-0000
ROCKSVOLD	JOHN	E 2016 OLIVE SPRINGS RD 1 S MARIETTA	GA 30060-0000
RODERICK	JOHN	E LOT 65 1147 COLLEGE PARK RD SUMMERVILLE	SC 29843-0000
RODMAN	MARK	A STE 3 175 BORONIA RD VIC FA	00000-0000
RODRIQUEZ	DANIEL	FPO SAN FRAN 966621492 FA	00000-0000
ROGERS	GENE	W FPO NEW YORK 095861705 FA	00000-0000
ROSEN	STEVEN	4134 OAK PARK DR SE 216 GRAND RAPIDS	MI 49508-0000

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RUBLEY	JULIANNE	520 B IMPALA DR FT COLLINS	CO	80521-0000	SANTOS	JORGE	ALSINA 162 146 8000 BAHIA BLANCA ARGENTINA	FA	00000-0000
RYAN	CATHERINE	F APT 204A 45516 PAHIA RD KANEHOE	HI	96744-3332	SANTOS	JOSEPHINE	9707 SHARON DR TAYLOR	MI	48209-0000
RYAN	TIM	G APT 204A 45516 PAHIA RD KANEHOE	HI	96744-3332	SANTOSMALDONADO	MELVIN	CALLE DEGETAU 167 AIBONITO PR 00705	FA	00000-0000
SAITO	KEIJI	H IRUMA CITY 358 JAPAN	FA	00000-0000	SARZYNSKI	CHESTER	1767 SOUTHFIELD RD BIRMINGHAM	MI	48009-3006
SAITOH	HIROSHI	NAGAREYAMA SHI CHIBA KEN JAPAN	FA	00000-0000	SAVAGE	FLORIA	A 105 SO SHEPPARD EULESS	TX	76040-0000
SAKAKI	MIKIO	SETAGAYA TOKYO JAPAN	FA	00000-0000	SCHLAUTMANN	HEINRICH	4830 GUETASLOA W GERMANY	FA	00000-0000
SAKINA		13TH MAURIPUR RD KARACHI PAKISTAN	FA	00000-0000	SCHNEIDER	DONALD	515 ADAMS ST KLAMATH FALLS	OR	97601-3202
SALAK	JOHN	829 KENSINGTON BLVD DAVISON	MI	48423-0000	SCHNEIDER	MARK	2431 VINEYARD LN CROFTON	MD	21114-0000
SALEH	ANITA	100 9TH AVE 2B5 BELMAR	NJ	07719-2354	SCHROCK	WILLIAM	528 BLOOR AVE OTTAWA	FA	00000-0000
SALEH	NAJIB	S 100 9TH AVE 2B5 BELMAR	NJ	07719-2354	SCHWARTZ	DOROTHY	L RR1 BOX 9 BUDA	TX	78610-0000
SALMON	THOMAS	C			SCHWARTZ	VERNON	E RR1 BOX 9 BUDA	TX	78610-0000
SALSMAN	MICHAEL	1009 CLINTON DR PLANO	TX	75075-0000	SCOTT	JUDY	A 3717 DUNDAS ST BURNABY V5C1A1 BC CANADA	FA	00000-0000
SANDIFER	LASONIA	7575 CHAULER PLACE DALLAS	TX	75237-0000	SELLERS OLDS CAD				
SANFORD	RUTH	4834 KNUDSEN MONTAGUE	MI	49437-0000	SEVCIK	JOHN	G 5963 LEWIS DALLAS	TX	75206-0000
SANTA BARBARA CITY OF			CA	00000-0000	SHARRER	DEBBIE	1011 1ST AVE S N MYRTLE BEACH	SC	29582-0000
SANTO	DANIELLE	D POB 3331 GULFPORT	MS	39505-0000	SHEARER	CHERYL	1623 S BEECH CT BROKEN ARROW	OK	74012-0000

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SHEARER	JIM	1623 S BEECH CT BROKEN ARROW	OK	74012-0000			
SHEIBLEY	FRANCES	M 3717 DUNDAS ST BURNABY CANADA	BC	V5C1A1	FA	00000-0000	
SHIRDAN	LISETTE	L 143 KERRY LYNN COURT WILLIAMSTOWN	NJ	08094-0000			
SHUMAKER	RALPH	FPO SAN FRAN 966671153	FA	00000-0000			
SHWETZ	PETER	7909 SLEAFORD PL BETHESDA	MD	20814-4625			
SHWETZ	SUZANNE	L 7909 SLEAFORD PL BETHESDA	MD	20814-4625			
SIEBERT	WILLIAM	7905 TREE MOUNTAIN STONE MOUNTAIN	GA	30083-0000			
SIGLER	DEAN	T 10745 PECOS ST NORTHGLENN	CO	80234-3226			
SIMMONS	CAROL	800 COMMON STREET 911 NEW ORLEANS	LA	70112-2308			
SIMMONS	PAMELA	800 COMMON STREET 911 NEW ORLEANS	LA	70112-2308			
SIMPSON	FRANK	PO BOX 124 ALPINE	TX	79831-0000			
SIMPSON	JOSEPH	101ST ADN AASLT APO NEW YORK 09309	FA	00000-0000			
SINGH	YASH	P 6 LOUDOUNKOU ST PIRAEUS 18531 GREECE	FA	00000-0000			
SLATER TENAGLIA & HELMER P A		26 WEST MAIN STREET MARLTON	NJ	08053-0000			
SLOAN	MARY	BOX 401 WATSON CANADA	FA	00000-0000			
SMITH	KENNETH	2758 SAN JACINTO BEAUMONT	TX	77701-0000			

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SMITH	MARVIN	TO THE ESTATE OF WILMINGTON	DE	19801-0000			
SMITH	MARY	E RR6 BIX 904D LEANDER	TX	78641-0000			
SMITH	MICKEY	1537 BONANZA HOUSTON	TX	77062-0000			
SMITH	STEVE	3002 TAFT ST PINE BLUFF	AR	71603-0000			
SMITH	VIVIAN	RT 2 BOX 2782 HILLSBORO	AL	00000-0000			
SOLIS	RAMON	PO BOX 271 CASH SAN COSTA RICA	FA	00000-0000			
SOLTIS	JENNIFER	292 B LINDBERG DR ATLANTA	GA	30305-0000			
SORRELLS	ALAN	E USS CORAL SEA FPO NY AE 09550	FA	00000-0000			
SPIELBERGER	RUTH	291 DUSTIN TAVERN RD WEARE	NH	03281-0000			
SQUIRE	ROOSEVELT	828 BRADHURST RD BALTIMORE	MD	21212-0000			
SRIDARANOP	SNAY	SUKHUMBIT RD 55BANGKOK 10110 THAILAND	FA	00000-0000			
ST LOUIS POST			MO	00000-0000			
STAINSBY	JOHN	G 108 A OLD COPPICE SD HEANOR DER	FA	00000-0000			
STAINSBY	KAREN	S 108 A OLD COPPICE SD HEANOR DER	FA	00000-0000			
STAMOS	ARGERY	AG104 GERASIMON 10 XYLOKASTR GREECE	FA	00000-0000			
STANDARD & POORS CORP		PO BOX 7247 0207 PHILADELPHIA	PA	19170-0207			

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STAR CHEVROLET OLDS INC

4161 OREGON PIKE
EPHRAIA PA 17522-0000

STARR

PAUL
PO BOX 51
TREVOR WI 53179-0000

STATHAM

MOIRA
L 823 PEARS RD R R 1
VICTORIA CANADA FA 00000-0000

STATHAS

PANAGIOTIS
POLIDEFKOUS 68 PIREAS
GREECE FA 00000-0000

STEINBECK

CORINNE
W ANDER URANIA 1618 717 1000 BERLIN 30
FA 00000-0000

STERNAD

NORMAN
114 A ETLING AVE SC 29445-0000

STEWART

SUSAN
7871 OLIVE STREET
COMMERCE CO 80222-0000

STICKEL

CAROLYN
3040 NORTHPARK DR
KINGWOOD TX 77339-0000

STICKEL

CAROLYN
A 3040 NORTHPARK DR
KINGWOOD TX 77339-5114

STICKEL

CAROLYN
A 6006 TRINITY ISLE CT
HUMBLE TX 77345-0000

STIRRAT

STEVEN
M USS CORAL SEA CV 43
FPO NEW YORK 09550 FA 00000-0000

STONEBERGER

JAMES
USS SHREVEPORT LPD 12
FPO NEW YORK 09587 FA 00000-0000

STRAHLENDORF

MICHAEL
USS PARAWA LH A1
FPO SAN FRAN 96622 FA 00000-0000

STREICHER

ULRIKE
MONCHSHOF 2 4942 BARNSTRUP
FA 00000-0000

STREICHER

WERNER
MONCHSHOF 2 4942 BARNSTRUP
FA 00000-0000

STRUIFF

AUGUST
J 7 MCKNIGHT LN
CLAYTON MO 00000-0000

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STUBBS
MELINDA
A 11002 N 45TH WAY
PHOENIX AZ 85028-0000

SUTHERLAND

ORAL
USS GUAM LPH 9 FPO NEW YORK 09563164
FA 00000-0000

SUWA

NORIKO
HAKKAIDO UNIVERSITY SAPPORO
JAPAN FA 00000-0000

SUWA

TATSUO
HAKKAIDO UNIVERSITY SAPPORO
JAPAN FA 00000-0000

SUZUKI

ATSUKO
142 25 3 CHOME SAKAE CHO
JAPAN FA 00000-0000

SUZUKI

YOSHIAKI
142 25 3 CHOME SAKAE CHO
JAPAN FA 00000-0000

SYBERTSON

CARL
N PO BOX 221
JEFFERSON AR 72079-0000

T MCLEOD & CO

6702 BUCHANAN LOOP ROAD
TEXARKANA TX 75501-0000

TABB

CHARLES
J 7229 PETORSDALE CT
BOULDER CO 80301-0000

TAKENCHI

HARUO
3 20 1 HIGASHI KOIWA EDOGAWA
TOKYO JAPAN FA 00000-0000

TALLEY

GEORGEANNA
3419 DOLFIELD AVE
BALTIMORE MD 21215-0000

TAMAMIA

GODOFREDO
USS AMERICA CV 66
FPO NEW YORK 09531 FA 00000-0000

TEAGUE

BEVERLY
L 5642 WHIGVILLE LAKE
DRYDEN MI 48428-9324

TEXAS WORKERS COMPENSATION

IL 00000-0000

THOMAS

ELLIS
PO BOX 371 HWY 42
TICKFAW LA 70466-0000

THOMAS

JOHN
E 221 RANCHO VIS
DOUBLE OAK TX 75067-0000

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THOMAS	MARGARET	STONEK CREEK ONTARIO CANADA FA 00000-0000
THOMPSON	CHRISTOPHER	USS CAMDEN AOE 2 FPO SEATTLE 98799 FA 00000-0000
THOMPSON	MARTA	S 3106 W VOGEL AVE 263 G PHOENIX AZ 85051-0000
THOMS	COLLEEN	M 129 B RUE CHARMEILLE FT WASHINGTON PA 19034-0000
THORNTON	BONNIE	J 917 SUMMERSHADE LANE MEMPHIS TN 38116-4017
TILLEY	BESSIE	1322 S FIFTH MIDLOTHIAN TX 76065-0000
TIMM	ANDREW	J 14011 CHAMPIONS HAMLET CT HOUSTON TX 77069-1845
TIMM	ANNE	M 14011 CHAMPIONS HAMLET CT HOUSTON TX 77069-1845
TIMM	TERRY	W 14011 CHAMPIONS HAMLET CT HOUSTON TX 77069-0000
TONEY	DORIS	1508 RICHMOND SLIDELL LA 70458-0000
TORRES	JUAN	APT 164 MOROVI SAN JUAN PUERTO RICO FA 00000-0000
TOWLES	LAURITA	APT 2118 13421 N 43RD AVE PHOENIX AZ 85029-1038
TREADWELL	JAMES	L APT 2 1850 GLENDALE ROAD CLINTON IA 52732-0000
TREVINO	M	220 NO WEST 621 EL PASO TX 79912-0000
TRIPLETT	JANICE	L 45 32 MAHALANI ST KANEHOE HI 96744-0000
TUCKER	JAMES	D 2543 LAKESHORE DR CONYERS GA 30207-0000

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TULLY	JAMES	B 34 HEATHURST RD 2ND HAMPSTEAD LONDON FA 00000-0000
TURNER	RICHARD	G APT 301 70 OGDEN ST DENVER CO 80218-0000
TYLER	DEVON	1021 E PIERCE AVE MCALESTER OK 74501-0000
UNDERWOOD	LEOLA	292 B LINDBERG DR ATLANTA GA 30305-0000
UNITED PENN BANK		8 18 WEST MARKET STREET WILKE BARRE PA 18702-0000
UNIVERSITY OF ARK PINE BLUFF		
URVOIS	ANDRE	Y RT DE PERROS LANNION 22 304 FRANCE FA 00000-0000
USCHALD	ANNIE	8450 AMBERG WEST GERMANY FA 00000-0000
USUI	MASAKI	4 5 IMATKE CHO GCHOM SAKAI SHI FA 00000-0000
UTEENA	HOLLEY	28 WALL ST MIDDLETOWN CT 06457-0000
VALENTINUZZI	SYLVIA	ALSINA 162 146 8000 BAHIA BLANCA ARGENTINA FA 00000-0000
VANHOVEN	SANDRA	J 146 SOUTH IRVING STREET RIDGEWOOD NJ 07450-0000
VARDI	DAVID	S 59 HAPISGA ST BAYIT VEG ISRAEL FA 00000-0000
VENARGO COUNTY COURTHOUSE		
VERGERIS	SANDARA	6 MARSTON LN TUTBURY STAFFORDSH FA 00000-0000
VERREAUULT	ANDRE	12487 NIAGARA RV PKY NIAGARA FALLS FA 00000-0000

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VERTHEEN	THOMAS	7229 S GESSNER DR HOUSTON	TX	77036-0000			
VIGIL	GISELA	345 W GRAND ST ELIZABETH	NJ	07202-1201			
VIGIL	JOSE	V 345 W GRAND ST ELIZABETH	NJ	07202-1201			
VILIA	CHRISTOPHER	USS SEAWOLF SSN 575 FPO SAN FRAN 96678	FA	00000-0000			
VONSCHAUMBURG	BRIAN	9237 WOLFDALE DR LITTLETON	CO	80124-8908			
VRABLE	ARNOLD	505 HINTZ RD OWOSSO	MI	48867-0000			
WADA	MACHIKO	KANAGAWA KEN 227 JAPAN	FA	00000-0000			
WADA	NORIO	KANAGAWA KEN 227 JAPAN	FA	00000-0000			
WAGNER	ANDREW	KITCHENER ONTARIO N2H CANADA	FA	00000-0000			
WAGNER	KATHERINE	KITCHENER ONTARIO N2H CANADA	FA	00000-0000			
WAGNER	STANLEY	D 16086 E ITHACA PL C AURORA	CO	80013-0000			
WALDRON	FRANCIS	745 RILEY PLACE ATLANTA	GA	30327-0000			
WALDRON	VIVIAN	745 RILEY PLACE ATLANTA	GA	30327-0000			
WALKER	DIANE	A 66 ROUTE DE FRONTENEX SWITZERLAND	FA	00000-0000			
WALKER	FARELL	7300 N VASSAR RD OTISVILLE	MI	48463-0000			
WALKER	PHILIP	A 66 ROUTE DE FRONTENEX SWITZERLAND	FA	00000-0000			

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NOTICE OF PUBLIC INFORMATION							
WALL	JUANITA	A APT 2118 13421 N 43RD AVE PHOENIX	AZ	85029-1038			
WALMSLEY	CHARLES	M BONN AUF DEM HEDEL 69 WEST GERMANY	FA	00000-0000			
WALMSLEY	COLETTE	M BONN AUF DEM HEDEL 69 WEST GERMANY	FA	00000-0000			
WALTON	CLARENCE	826 BURAT TAVERN RD PT PLEASANT	NJ	08742-0000			
WASHTENAW COUNTY CLERK							
WATKINS	ELLA	PO BOX 46 FORSYTH	GA	31029-0000			
WATKINS	MEREDITH	RT 2 BOX 2782 HILLSBORO	AL	00000-0000			
WATSON	PATRICK	A 21 GARDENIA AVE AGANA 96915 GUAM	FA	00000-0000			
WAY	DARREN	T USS MCCANDLESS FF 1084 B DIV FPO NEW YORK 09578	FA	00000-0000			
WCHESTER NY CNTY CLERK OF							
WEARS	MARLEN	APT 1806 66900 IRONWOOD DESERT SPRINGS	AZ	00000-0000			
WEBB	LUTHER	7653 LAKE DRIVE PASADENA	MD	21122-0000			
WEBER	ERNEST	L 3422 HAVANA ST NEW ORLEANS	LA	70122-0000			
WEGGEL	PATRICIA	S 1560 JONES DR ANN ARBOR	MI	48105-0000			
WETHINGTON	DEREK	FPO NEW YORK 095881716	FA	00000-0000			
WHEELER	HELEN	C 1219 DULANEY VALLEY RD BALTIMORE	MD	21204-0000			

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WHEELER	WILLIAM	W 1219 DULANEY VALLEY RD BALTIMORE	MD 21204-0000	WILSON	WOODROW	1579 CAMELOT TRENTON	MI 48183-0000
WHITE	JOHN	9 WILSON STREET SALEM	NH 03079-0000	WINFREY	ARI	RT 2 BOX 573 LITTLE ROCK	AR 72206-0000
WHITE	PETER	H BOX 860 KAHNAWAKE	FA 00000-0000	WINN	MICHAEL	420 WEST RIVER DR DAVENPORT	IA 00000-0000
WHITE	RICKY	FPO NEW YORK 095663330	FA 00000-0000	WOLFSON	ELLIOT	PO BOX 413 DECORAH	IA 52101-0413
WIDER	FE	125 COSTA RICA	FA 00000-0000	WOLFSON	JULIAN	PO BOX 413 DECORAH	IA 52101-0413
WIEDEMANN	FRANZ	J HAUS 23 A 9812 PUSARNITZ	FA 00000-0000	WOOD	MARY	801 COOPER LANDING APT A201 CHERRY HILL	NJ 08002-0000
WIEGEL	EVA	M RT 1 BOX 28 GREELEY	IA 52050-0000	WOOLNER	RODERIC	H 800 BURARD ST VANCOUVER	FA 00000-0000
WIGGINS	CATHERINE	109 CONCOVE WAY	MD 21078-0000	WRIGHT	TAMMELA	3189 MILL CREEK DRIVE 2 KALAMAZOO	MI 49009-9471
WILEY	ELVIS	4450 MACON 6 MEMPHIS	TN 38122-0000	WU	LIN CHUEN	H 46 SUN WEN LN CHUNG SHING RD 2 REP OF CHINA	FA 00000-0000
WILKES	CELESTINE	2634 AISQUITH ST BALTIMORE	MD 21218-0000	WU	MEILI	46 SUN WEN LN CHUNG SHING RD 2 REP OF CHINA	FA 00000-0000
WILLIAMS	JAMES	E 456438821 PSD BOX 304 PEARL HARBOR	HI 96860-6700	XIAO	LING	1610 OVERLAND PASS DR SUGAR LAND	TX 77478-4226
WILLIAMS	JOHN	F 2A SKYLINE TRAIL FAIRFIELD	PA 17320-0000	YALIS	MICHEL	T ANTONIOS YIALIS ST THEOTOKOPOYLOY 4 GREECE	FA 00000-0000
WILLIAMS	STEPHANIE	3301 RAWHIDE DRIVE LAPORTE	CO 80535-0000	YAMASE	FUJIO	SUMIYOSHI OSAKA 4 6 18 TEZUKAYAMA UA JAPAN	FA 00000-0000
WILLIAMSMILLS	LALEACE	4309 KAYSER CIRCLE EL PASO	TX 79904-4316	YANG	MINGTU	TAIPEI TAILWAN REPUBLIC CHINA	FA 00000-0000
WILSON	CHARLES	10630 CLAY CT NORTHGLENN	CO 80234-3531	YARJOVSKI	BESSALEL	116 660 PRESTON FORREST CEN DALLAS	TX 75230-2718
WILSON	SHERYL	PO BOX 31474 AURORA	CO 80041-0000	YARJOVSKI	MORRIS	116 660 PRESTON FORREST CEN DALLAS	TX 75230-2718

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YATES MONICA C 1420 NANALOKO PL HI 96734-0000
KAILUA

YODA YASUYUKI ICHIKAWADAIMON 409 35
YAMANASHI JAP FA 00000-0000

YUNA JOSEPH D VA55 FPO NEW YO AE 09504
FA 00000-0000

ZAHAROUA GEORGIA AEGINS 25 PEFKAKIA NEA IONIA
ATHENS GREECE FA 00000-0000

ZEBSE RANDALL L 50 BAYBERRY DR NJ 08873-4207
SOMERSET

ZENITH ELECTRONICS OF TEXAS MC ALLEN TX 78701-0000

ZION CONRAD 1141 N HIGHLAND AVE 25
PITTSBURGH PA 15206-1659

ZION PETER L 1141 N HIGHLAND AVE 25
PITTSBURGH PA 15206-1659

ZIROLI LUCILLE 6754 GENERAL DIAZ ST LA 70124-0000
NEW ORLEANS

ZULPO TRESA 25 TERA VALLEY DR AR 72058-0000
GREENBRIER

DEPARTMENT OF THE LOTTERY

NOTICE OF PUBLIC INFORMATION

Pursuant to the provisions of 20 ILCS 1605/7.1, the Illinois Department of the Lottery shall publish each January in the Illinois Register a list of all game-specific rules, play instructions, directives, operations manuals, brochures, or other game-specific publications issued by the Department during the previous year. Following is the list of game-specific materials published by the Lottery during calendar year 1996.

Departmental Directive #96-04: "Special Game Designation: Hog Heaven, Game #10"
Departmental Directive #97-01: "Special Game Designation: MGM Grand Instant Game and Agent Incentive Program"
Departmental Directive #97-02: "Special Game Designation: Holiday Cash, Game #25"
Departmental Directive #97-03: "Special Game Designation: Holiday Win for Life, Game #26"
Departmental Directive #97-04: "Special Game Designation: Tropical Getaway Instant Game #32"
Game Rules - Instant Game No. 92, "Win for Life III"
Game Rules - Instant Game No. 94, "Pool Shark"
Game Rules - Instant Game No. 95, "Double Bingo"
Game Rules - Instant Game No. 96, "All American Cash"
Game Rules - Instant Game No. 97, "Beginner's Luck"
Game Rules - Instant Game No. 98, "Baseball Legends"
Game Rules - Instant Game No. 01, "7-11-21"
Game Rules - Instant Game No. 02, "Happy Mother's Day"
Game Rules - Instant Game No. 03, "Lucky Stars"
Game Rules - Instant Game No. 04, "Quick Change"
Game Rules - Instant Game No. 05, "Blackout Bingo"
Game Rules - Instant Game No. 06, "Carnival Cash"
Game Rules - Instant Game No. 07, "Gone Fishing"
Game Rules - Instant Game No. 08, "Fast Money"
Game Rules - Instant Game No. 09, "Zodiac Tripler"
Game Rules - Instant Game No. 10, "Hog Heaven"
Game Rules - Instant Game No. 11, "Bonus 7's/Power 7's"
Game Rules - Instant Game No. 12, "Casino Night"
Game Rules - Instant Game No. 13, "Lucky Charm Bingo"
Game Rules - Instant Game No. 14, "Pocket Change"
Game Rules - Instant Game No. 15, "Moola Mania"
Game Rules - Instant Game No. 16, "MGM Grand"
Game Rules - Instant Game No. 17, "High Roller"
Game Rules - Instant Game No. 18, "Bull's Eye"
Game Rules - Instant Game No. 19, "Money Talks"
Game Rules - Instant Game No. 20, "Super 7 Bingo II"
Game Rules - Instant Game No. 21, "Illinois Instant Riches"
Game Rules - Instant Game No. 22, "Legends of the Fall"
Game Rules - Instant Game No. 23, "Mummy Money"
Game Rules - Instant Game No. 24, "Turkey Tripler"
Game Rules - Instant Game No. 25, "Holiday Cash"
Game Rules - Instant Game No. 26, "Holiday Win for Life"

DEPARTMENT OF THE LOTTERY

NOTICE OF PUBLIC INFORMATION

Game Rules - Instant Game No. 27, "Holiday Bingo"
 Game Rules - Instant Game No. 28, "Happy Holidays"
 Game Rules - Instant Game No. 29, "3 Point Play"
 Game Rules - Instant Game No. 30, "Power Play"
 Game Rules - Instant Game No. 31, "Ante Up"
 Game Rules - Instant Game No. 32, "Tropical Getaway"
 Game Rules - Instant Game No. 33, "Instant Slots"
 Game Rules - Instant Game No. 34, "Winning 50's"
 On-Line Game Rules, revision effective June 2, 1996
 The Big Game Rules, effective August 31, 1996
 Illinois Instant Riches TV Game Show Procedures, revised effective January 6, 1996; revised effective February 23, 1996; revised effective June 22, 1996; addendum for remote taping effective September 16, 1996
 "Hula Moolah Instant Game Second Chance Sweepstakes" Official Rules & Procedures
 "Illinois Lottery/Universal Studios, Florida Breakaway Promotion" Official Rules & Procedures
 "Lotto Fantastic Fantasies Promotion" Official Rules & Procedures
 "Lotto for Life Subscription Program" Official Rules & Procedures
 "Holiday Shopping Spree Subscription Renewal Promotion (1996)" Official Rules & Procedures
 "Lotto for Life II Subscription Promotion" Official Rules & Procedures
 "Lotto's Home for the Holidays Promotion (1996)" Official Rules & Procedures
 "Lotto Fantastic Fantasies Promotion" Official Drawing Procedures
 "Hula Moolah 2nd Chance Sweepstakes" Official Drawing Procedures
 "Lotto's Home for the Holidays Promotion" Official Drawing Procedures
 Lottery News: Instant Ticket Claim Dates
 "Illinois Instant Riches" Game Show Summary
 "Lotto's Fantastic Fantasies Promotion" Winners List
 "Lotto's Home for the Holidays Promotion" Winners List
 1996 Winning Numbers Lists (Pick 3, Pick 4, Little Lotto, Lotto, The Big Game)
 Instant Game Prize List
 Lottery Financial History, Sales by Game (Updated)
 Lotto & Little Lotto Odds Calculations (Updated)

Copies of the foregoing may be obtained by submitting a written request to:

Freedom of Information Officer
 Illinois Department of the Lottery
 P. O. Box 19080
 Springfield, Illinois 62794-9080

OFFICE OF BANKS AND REAL ESTATE

NOTICE OF PUBLIC INFORMATION

NOTICE OF FINES IMPOSED UNDER THE
 RESIDENTIAL MORTGAGE LICENSE ACT OF 1987

Pursuant to Section 4-5(g) of the Residential Mortgage License Act of 1987 ("Act"), 205 ILCS 635/4-5(g) (1994), notice is hereby given that the Commissioner of the Office of Banks and Real Estate of the State of Illinois has issued \$10,000.00 fines for violating the terms of the Residential Mortgage License Act of 1987 and the rules and regulations adopted thereunder against the following licensees: Champion Mortgage Corporation, Westmont, IL; Mortgage Managers Inc., Lake Forest, IL; Newport Shores Financial Inc., Alijo Viejo, CA; and Oxford Financial Services LTD, Calumet City, IL.

OFFICE OF BANKS AND REAL ESTATE

REGULATORY AGENDA

- a) Part(s)(Heading and Code Citation): Real Estate Appraiser Certification, 68 Ill. Adm. Code 1455

1) Rulemaking:

A) Description: This Part will be amended to update an incorporation by reference to refer to the most current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This Part may also be revised to set forth disciplinary and hearings procedures specifically applicable to the appraiser regulation program.

B) Statutory Authority: Implementing and authorized by Article 2 of the Real Estate License Act of 1983 [225 ILCS 455/Art. 2].

C) Scheduled meeting/hearing date: None scheduled.

D) Date agency anticipates First Notice: Calendar year 1997.

E) Affect on small businesses, small municipalities or not for profit corporations: None.

F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

G) Related rulemakings and other pertinent information: None.

- b) Part(s) (Heading and Code Citation): Real Estate License Act of 1983, 68 Ill. Adm. Code 1450

1) Rulemaking:

A) Description: This Part will be amended to provide for the licensing of real estate leasing agents pursuant to amendments to the Real Estate License Act of 1983 made by Public Act 89-340. The Part will be amended to update language relating to the statutory allocation of fees to the Real Estate License Administration Fund and other funds to reflect statutory changes should SB 454 be signed into law. The Part may also be amended relating to payments under the Act made to the Office of Bank and Real Estate by checks which are returned for insufficient funds. Section 1450.55, which has been made obsolete by the repeal of statutory language, will itself be

OFFICE OF BANKS AND REAL ESTATE

REGULATORY AGENDA

repealed. Rulemaking is being prepared to specify complaint review and hearing procedures under the Act.

B) Statutory Authority: Implementing and authorized by the Real Estate License Act of 1983 [225 ILCS 455].

C) Scheduled meeting/hearing date: None scheduled.

D) Date agency anticipates First Notice: Calendar year 1997.

E) Affect on small businesses, small municipalities or not for profit corporations: None.

F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

G) Related rulemakings and other pertinent information: None.

- c) Part(s)(Heading and Code Citation): Branch Banks, 38 Ill. Adm. Code 305

1) Rulemaking:

A) Description: This part will be amended to require that a bank give prior notice to this agency before establishing a branch, and to permit such prior notice to be in the form of a copy of the branch application submitted to the bank's federal regulator.

B) Statutory Authority: Implementing Section 5(15) and authorized by Section 48(6) of the Illinois Banking Act [205 ILCS 5/5(15) and 5/48(6)].

C) Scheduled meeting/hearing date: None scheduled.

D) Date agency anticipates First Notice: Calendar year 1997.

E) Affect on small businesses, small municipalities or not for profit corporations: None.

F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate

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Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- d) Part(s)(Heading and Code Citation): Eligible State Bank, 38 Ill. Adm. Code 380

1) Rulemaking:

- A) Description: This Part will be amended to change the definition of "eligible state bank" (for participating in the alternating examination program) to exclude those banks which federal bank regulators indicate that they will not examine in alternating years.

- B) Statutory Authority: Implementing and authorized by Section 48 of the Illinois Banking Act [205 ILCS 5/48].

- C) Scheduled meeting/hearing date: None scheduled.

- D) Date agency anticipates First Notice: Calendar year 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- e) Part(s)(Heading and Code Citation): Blacklist Prohibition, 38 Ill. Adm. Code 302 (new)

1) Rulemaking:

- A) Description: This Part will prohibit discrimination by any State chartered bank against any individual, corporation, partnership, association, or other entity because he, she, or it appears in a so-called blacklist issued by any domestic or foreign corporate or governmental entity.

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- B) Statutory Authority: The proposed rule would implement and be authorized by Section 6 of the Office of Banks and Real Estate Act [20 ILCS 3205/6].

- C) Scheduled meeting/hearing date: None scheduled.

- D) Date agency anticipates First Notice: Calendar year 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- f) Part(s)(Heading and Code Citation): Calculation, Assessment, and Collection of Fees, 38 Ill. Adm. Code 375 (new)

1) Rulemaking:

- A) Description: This rule would establish the manner in which the Office of Banks and Real Estate will calculate and collect fees payable by State banks and corporate fiduciaries.

- B) Statutory Authority: The proposed rule would implement Section 48(3)(a) of the Illinois Banking Act [205 ILCS 5/48(3)(a)] and Section 5-10 of the Corporate Fiduciary Act [205 ILCS 620/5-10] and be authorized by Section 48(3)(a) of the Illinois Banking Act [205 ILCS 5/48(3)(a)] and Section 5-1 of the Corporate Fiduciary Act [205 ILCS 620/5-1].

- C) Scheduled meeting/hearing date: None scheduled.

- D) Date agency anticipates First Notice: First half of 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate

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500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- g) Part(s)(Heading and Code Citation): Public Hearings on Acquisitions of Illinois Banks or Illinois Bank Holding Companies by Midwest Bank Holding Companies, 38 Ill. Adm. Code 390

1) Rulemaking:

- A) Description: This Part will be repealed due to state and federal statutory changes which have made this Part obsolete.

- B) Statutory Authority: Implementing and authorized by Section 48 of the Illinois Banking Act [205 ILCS 5/48].

- C) Scheduled meeting/hearing date: None scheduled.

- D) Date agency anticipates First Notice: Calendar year 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- h) Part(s)(Heading and Code Citation): Hearings Before the Office of Banks and Real Estate, 38 Ill. Adm. Code 392

1) Rulemaking:

- A) Description: This Part, along with other Parts adopted by the Office of Banks and Real Estate relating to hearings, will be reviewed and may be amended to establish, consolidate, and clarify uniform hearing procedures for the Office of Banks and Real Estate pursuant to a suggestion made by the Joint Committee on Administrative Rules.

- B) Statutory Authority: Implementing and authorized by Section 48

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of the Illinois Banking Act [205 ILCS 5/48], Section 20 of the Electronic Fund Transfer Act [205 ILCS 616/20], Section 5-1 of the Corporate Fiduciary Act [205 ILCS 620/5-1], and Section 18 of the Foreign Banking Office Act [205 ILCS 645/18].

- C) Scheduled meeting/hearing date: None scheduled.

- D) Date agency anticipates First Notice: Calendar year 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
Address: Office of Banks and Real Estate
500 East Monroe, Suite 900
Springfield, Illinois 62701-1532
Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None.

- i) Part(s)(Heading and Code Citation): Residential Mortgage License Act of 1987, 38 Ill. Adm. Code 1050

1) Rulemaking:

- A) Description: The Commissioner's Office is developing rulemaking on this Part in response to recent statutory changes involving licensee activity reporting and gross delinquency rates/foreclosure rates. The Commissioner's Office is considering rulemaking to update and clarify this Part, in particular language relating to applicability of fees, full service offices, examination locations, refunds, licensee status changes, and compilation filings.

- B) Statutory Authority: Authorized by and implementing the Residential Mortgage License Act of 1987 [205 ILCS 636/1-1].

- C) Scheduled meeting/hearing dates: None scheduled.

- D) Date agency anticipates First Notice: First half of 1997.

- E) Affect on small businesses, small municipalities or not for profit corporations: None.

- F) Agency contact person for information:

OFFICE OF BANKS AND REAL ESTATE

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Name: John Arthur, Legislative Liaison
 Address: Office of Banks and Real Estate
 500 East Monroe, Suite 900
 Springfield, Illinois 62701-1532
 Telephone: (217) 782-3000

- G) Related rulemakings and other pertinent information: None. G)
Related rulemakings and other pertinent information: None.

j) Part(s)(Heading and Code Citation): Savings Bank Act, 38 Ill. Adm.
 Code 1075

1) Rulemaking:

A) Description: Rulemaking on this Part is being developed to address the fee on change of control and to effect a credit of fees (rebate) to institutions. Rulemaking is also being considered generally to update and streamline procedures and regulatory requirements in the Part. Hearing procedures may be amended or consolidated with other agency hearing rules in response to a suggestion on the same from the Joint Committee on Administrative Rules.

B) Statutory Authority: Authorized by and implementing the Savings Bank Act [205 ILCS 205/1001].

C) Scheduled meeting/hearing dates: None scheduled.

D) Date agency anticipates First Notice: First half of 1997.

E) Affect on small businesses, small municipalities or not for profit corporations: None.

F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
 Address: Office of Banks and Real Estate
 500 East Monroe, Suite 900
 Springfield, Illinois 62701-1532
 Telephone: (217) 782-3000

G) Related rulemakings and other pertinent information: None.

k) Part(s)(Heading and Code Citation): Illinois Savings and Loan Act of 1985, 38 Ill. Adm. Code 1000

1) Rulemaking:

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A) Description: The Commissioner's Office is considering rulemaking on this Part to effect a credit of fees (rebate) to institutions.

B) Statutory Authority: Authorized by and implementing the Illinois Savings and Loan Act of 1985 [205 ILCS 105/1-1].

C) Scheduled meeting/hearing dates: None scheduled.

D) Date agency anticipates First Notice: First half of 1997.

E) Affect on small businesses, small municipalities or not for profit corporations: None.

F) Agency contact person for information:

Name: John Arthur, Legislative Liaison
 Address: Office of Banks and Real Estate
 500 East Monroe, Suite 900
 Springfield, Illinois 62701-1532
 Telephone: (217) 782-3000

G) Related rulemakings and other pertinent information: None.

**JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY**

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of January 28, 1997 through February 3, 1997 and have been scheduled for review by the Committee at its February 25, 1997 or March 18, 1997 meeting in Springfield. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rule should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield, IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start of First Notice</u>	<u>JCAR Meeting</u>
3/13/97	Department of Children and Family Services, Background Checks (89 Ill Adm Code 385)	4/5/96 20 Ill Reg 5133	2/25/97
3/19/97	Department of Public Aid, Child Support Enforcement (89 Ill Adm Code 160)	10/25/96 20 Ill Reg 13894	2/25/97
3/19/97	Department of Central Management Services, Pay Plan (80 Ill Adm Code 310)	11/22/96 20 Ill Reg 14954	3/18/97

97-20

CERTIFIED NURSE ASSISTANT WEEK

Whereas, Illinois has more than 200,000 Certified Nurse Assistants; and
Whereas, Certified Nurse Assistants working in long-term care facilities provide compassionate care for residents and their families; and

Whereas, Certified Nurse Assistants provide nearly 90 percent of the direct nursing care given to residents in long-term care facilities; and

Whereas, Certified Nurse Assistants improve the quality of life for tens of thousands of frail and elderly Illinois citizens; and

Whereas, Certified Nurse Assistants help restore residents to their highest functioning level;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 5-12, 1997, as CERTIFIED NURSE ASSISTANT WEEK in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-21

DR. MARTIN LUTHER KING DAY

Whereas, January 20, 1997, Dr. Martin Luther King, Jr. will be honored by a national holiday dedicated to his memory; and

Whereas, Illinois was the first state in the union to recognize the significant contributions of Dr. King by establishing a state holiday in 1973; and

Whereas, the state has coordinated activities that provide an opportunity for our citizens to reflect upon the principles of racial equality, justice, and nonviolent social change; and

Whereas, Dr. King dedicated his life so that all Americans could enjoy the freedom the United States Constitution guarantees every citizen; and

Whereas, in commemoration of Dr. King's birthday, Illinois citizens should rededicate themselves to his profound message of justice and peace;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim

January 20, 1997, as DR. MARTIN LUTHER KING DAY in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-22

ELGIN FINANCIAL AWARENESS DAY

Whereas, sound financial planning, including retirement planning, saving and investing, is important for all citizens; and

Whereas, as individuals improve their own financial futures, they contribute to the financial growth of their communities; and

Whereas, Elgin residents are benefiting from a year-long project sponsored by Money Magazine, including free financial planning seminars, workshops and consultations throughout 1997, as well as one-year subscriptions to Money Magazine;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim

January 29, 1997, as ELGIN FINANCIAL AWARENESS DAY in Illinois and congratulate Money Magazine on its educational program in Elgin, Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-23

LONG-TERM CARE ADMINISTRATORS WEEK

Whereas, Long-Term Care Administrators care for our loved ones and strive to provide their residents the opportunity to experience the highest quality of life; and

Whereas, Long-Term Care Administrators work long hours maintaining the quality of care given in their facilities and continuously striving to improve their facilities; and

Whereas, Long-Term Care Administrators are bound by numerous regulations and budgetary constraints, yet they succeed in performing their duties while motivating their staff;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim March 16-22, 1997, as LONG-TERM CARE ADMINISTRATORS WEEK in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-24

LONG-TERM CARE NURSES WEEK

Whereas, Long-Term Care Nurses have committed themselves to provide the highest quality care to the young, old and disabled; and

Whereas, Long-Term Care Nurses are faced with ever-increasing medical demands to rehabilitate and provide the best possible quality of life for their residents; and

Whereas, more than 1,000 licensed and extended care facilities look to Long-Term Care Nurses for support and leadership; and

Whereas, the Illinois Health Care Association, representing more than 435 Illinois' long-term care providers, and the Extended Care Nurses Association have declared May 6-12, 1997, as Illinois' Long-Term Care Nurses Week;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 6-12, 1997, as LONG-TERM CARE NURSES WEEK in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-25

NURSING HOME WEEK

Whereas, long-term care facilities in Illinois are dedicated to providing the finest health care for our convalescent, aged and chronically ill citizens; and

Whereas, this dedication has been demonstrated through continual striving to upgrade standards of care and improve service; and

Whereas, the Illinois Health Care Association and its member facilities are sponsoring "Caring for the Ages" activities in observance of National Nursing Home Week beginning May 11, 1997;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 11-17, 1997, as NURSING HOME WEEK in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-26

REVEREND DR. HUNTZINGER DAY

Whereas, Reverend Dr. Ernest H. Huntzinger came to the United Church of Christ in Elmhurst 30 years ago; and

Whereas, Reverend Dr. Huntzinger has contributed immensely to the community of Elmhurst, serving on the YMCA board, as the chairperson for the Elmhurst Ministerium and in many other capacities; and

Whereas, Reverend Dr. Huntzinger is known throughout Elmhurst as a willing listener, helper and friend to all; and

Whereas, to celebrate the 30 years Reverend Dr. Huntzinger has spent with the first congregational United Church of Christ, there is a special church service and recognition luncheon planned on February 9, 1997;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 9, 1997, as REVEREND DR. HUNTZINGER DAY in Illinois.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-27

"TURN ON TO SAFE DRIVING" COMMEMDED

Whereas, along with the privilege of driving a motor vehicle comes responsibility; and

Whereas, driver safety training dramatically increases the likelihood of safe and accident-free driving; and

Whereas, motor vehicle accidents are among the top killers of American youth; and

Whereas, the purpose of the "Turn on to Safe Driving" program is to encourage young drivers to practice safe driving habits;

Therefore, I, Jim Edgar, Governor of the State of Illinois, commend the "Turn on to Safe Driving" program and encourage all Illinoisans to set a positive example for young drivers by maintaining safe driving habits for a lifetime.

Issued by the Governor January 17, 1997.

Filed by the Secretary of State January 24, 1997.

97-28

VOLUNTEER WEEK

Whereas, our nation was built upon a spirit of volunteerism, and the talents and energies of American volunteers continue to be one of our greatest resources; and

Whereas, America cannot depend on government alone to solve all of its societal problems; and

Whereas, the active involvement of Illinois citizens is needed to combat growing human and social problems, to renew our belief that these problems can be solved, and to strengthen our sense of community; and

Whereas, it is fitting for all citizens to join in this celebration of our rich volunteer heritage and recognize the dedicated volunteers and volunteer programs that contribute immeasurably to communities;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim April 13-19, 1997 as VOLUNTEER WEEK in Illinois.

Issued by the Governor January 17, 1997.
Filed by the Secretary of State January 24, 1997.

97-29

DR. THEODORE CHARLES STONE DAY

Whereas, Dr. Theodore Charles Stone became interested in the field of music during his childhood in Gainsville, Texas; and
Whereas, Dr. Stone has been a central figure in the musical life of Chicago for more than 40 years; as Music Editor for the Chicago Crusader since 1965; President of the Chicago Music Association from 1954-1996, serving currently as President Emeritus; and President of the National Association of Negro Musicians from 1967-1974; and
Whereas, Dr. Stone's affiliation with Chicago's music world began in 1932, when he began studies at the Chicago Musical College; and
Whereas, Dr. Theodore Charles Stone has toured worldwide as a concert baritone, performing in the United States, Canada, Norway, Sweden, Denmark and the Virgin Islands; and
Whereas, the Chicago Music Alliance will present Dr. Theodore Charles Stone with its 1997 Friend of Music Award on January 29, 1997;
Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim January 29, 1997, as **DR. THEODORE CHARLES STONE DAY** in Illinois.
Issued by the Governor January 21, 1997.
Filed by the Secretary of State January 24, 1997.

97-30

ARTS EDUCATION WEEK

Whereas, the Illinois State Board of Education and the Illinois Alliance for Arts Education, in cooperation with the Illinois Arts Council, are sponsoring the 15th annual Arts Education Week March 16-22; and
Whereas, Arts Education Week is dedicated to the celebration and importance of music, theater, dance/movement, literary, media, and visual arts in the total education of all students; and
Whereas, the purposes of this celebration are to promote an awareness of arts in education, to encourage cooperative efforts among all arts organizations and schools, to provide students with opportunities to highlight their accomplishments in a variety of arts experiences, and to provide a forum to demonstrate support of arts education;
Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim March 16-22, 1997, as **ARTS EDUCATION WEEK** in Illinois and urge all citizens to join in this celebration and to support the creative future of our youth.
Issued by the Governor January 23, 1997.
Filed by the Secretary of State January 31, 1997.

97-31

FUTURE BUSINESS LEADERS OF AMERICA--PHI BETA LAMBDA WEEK

Whereas, Americans depend upon the business leaders of our country to promote future growth and progress of the United States economy and to assure continuing prosperity for the entire nation; and
Whereas, the Future Business Leaders of America organization is actively

training young people to assume positions of leadership and responsibility in business and industry, as well as teaching young people the value and benefits of being actively involved in community service projects; and
Whereas, there are approximately 3,500 Future Business Leaders of America-Phi Beta Lambda members in Illinois from 88 high schools and 15 colleges, and approximately 250,000 members nationwide; and

Whereas, the Future Business Leaders of America organization continues to demonstrate its effectiveness in producing young people who are competent leaders committed not only to sustaining the American free enterprise system but also to expanding and improving upon it;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 9-15, 1997, as **FUTURE BUSINESS LEADERS OF AMERICA--PHI BETA LAMBDA WEEK** in Illinois.

Issued by the Governor January 23, 1997.

Filed by the Secretary of State January 31, 1997.

97-32

CHICAGO MUSIC AWARDS DAY

Whereas, the Chicago Music Awards are given annually to deserving artists in the areas of hip hop/rap, reggae and rock; and

Whereas, the Chicago Music Awards will bestow special Lifetime Awards upon Herb Kent and Geraldine DeHass, who have made extraordinary contributions to Chicago's music industry; and

Whereas, the Chicago Music Awards will also recognize Tyrone Davis, Chi-Lites, Pop Staples, The Soul Stirrers, The Eldorados and Oscar Brown Jr.; and

Whereas, the Chicago Music Awards is celebrating its 15th anniversary with a gala celebration at the James R. Thompson Center in Chicago on February 1, 1997;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 1, 1997, as **CHICAGO MUSIC AWARDS DAY** in Illinois.

Issued by the Governor January 24, 1997.

Filed by the Secretary of State January 31, 1997.

97-33

BRAIN TUMOR AWARENESS WEEK

Whereas, more than 750 people concerned with brain tumor research will come from across the United States, Canada, and Europe to hear the nation's top neuroscientists speak about brain tumor treatment; and

Whereas, this is the third biennial Brain Tumor Symposium of the American Brain Tumor Association; and

Whereas, every 5 minutes, another American is diagnosed with a brain tumor, representing more than 105,000 people every year; and

Whereas, medical advances, advances which came through the hard work and dedication of researchers, give brain tumor patients hope; and

Whereas, there is still much to be done to advance the research of curing brain tumor patients; and

Whereas, the American Brain Tumor Association will provide much of the needed support for brain tumor patients and their families;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim July

14-20, 1997, as BRAIN TUMOR AWARENESS WEEK in Illinois.
 Issued by the Governor January 29, 1997.
 Filed by the Secretary of State January 31, 1997.

97-34

CHICAGO BOARD OF TRADE DAY

Whereas, people and nations around the world rely more than ever on the Chicago Board of Trade financial products for their economic well-being; and
 Whereas, the State of Illinois, from its beginning, has been central to international commerce and has become headquarters for many of the country's largest and most successful business and financial concerns; and
 Whereas, in 1859, the Illinois General Assembly granted a special charter incorporating the "Board of Trade of the City of Chicago" to advance legitimate commercial pursuits; and

Whereas, the crucial functioning of the business and agricultural economies depends on an efficient method for buyers and sellers of investment instruments and grains to meet; and
 Whereas, the Chicago Board of Trade provides a central futures exchange, where free market principles have provided price consensus for the world's financial and agribusiness industries over the past 149 years; and
 Whereas, on February 18, 1997, this world-famous institution will celebrate the opening of the world's largest and most technologically-advanced trading floor;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 18, 1997, as CHICAGO BOARD OF TRADE DAY in Illinois.
 Issued by the Governor January 29, 1997.
 Filed by the Secretary of State January 31, 1997.

97-35

CHICAGO MERCANTILE EXCHANGE DAY

Whereas, the Chicago Mercantile Exchange is the world's leading exchange for international risk management and asset allocation; and
 Whereas, founded in 1898 as the Chicago Butter and Egg Board, the Chicago Mercantile Exchange will celebrate its 100th anniversary in 1998; and
 Whereas, on February 5, 1997, the Exchange will begin a yearlong celebration of its first 100 years, "A Century of Ideas from the Exchange of Ideas"; and

Whereas, the Chicago Mercantile Exchange this year also will mark the 25th anniversary of its International Monetary Market division and the 15th anniversary of the Index and Option Market division; and
 Whereas, for 100 years, the dedicated involvement of its members, clearing member firms, customers and staff have made the Chicago Mercantile Exchange an integral part of the state, national and global economies; and
 Whereas, the Chicago Mercantile Exchange has contributed immeasurably to the financial derivatives industry, including establishing the world's first exchange-traded financial futures in 1972 with foreign currency contracts; and
 Whereas, the Chicago Mercantile Exchange today is the world leader in international risk management, offering customers around the globe a tapestry of products in a dozen key economies; and

Whereas, the Chicago Mercantile Exchange contributes immeasurably to

Illinois' reputation as an international business center and is a powerful engine of economic growth, attracting millions of dollars in capital to Illinois and providing thousands of jobs;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 5, 1997, as CHICAGO MERCANTILE EXCHANGE DAY in Illinois.
 Issued by the Governor January 29, 1997.
 Filed by the Secretary of State January 31, 1997.

97-36

CHILD PASSENGER SAFETY AWARENESS MONTH

Whereas, February 1997 has been declared Child Passenger Safety Awareness Month in Illinois; and
 Whereas, more children in the United States are killed and crippled in car crashes than from any other cause of injury; and

Whereas, if child safety seats were used by all children under age five, an estimated 52,000 serious injuries would be prevented and 500 lives would be saved each year; and
 Whereas, when used correctly, child safety seats are 71 percent effective in preventing fatalities and 67 percent effective in preventing serious injury; and

Whereas, many child safety seats are misused in some way, and correct placement and harnessing is critical to ensure adequate protection; and
 Whereas, all 50 states, the District of Columbia, Puerto Rico, and the U.S. Territories have enacted laws requiring the use of child passenger protection systems; and
 Whereas, death and injury may be significantly reduced through greater public awareness, information, education, and enforcement of child safety seat laws; and

Whereas, 1997 is the 12th anniversary of the enactment of Illinois' safety belt law, which, when belts are used by parents, set a good example for children;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 1997 as CHILD PASSENGER SAFETY AWARENESS MONTH in Illinois in recognition of every child's right to adequate protection when being transported in a motor vehicle.

Issued by the Governor January 29, 1997.
 Filed by the Secretary of State January 31, 1997.

97-37

KANKAKEE COUNTY SOIL AND WATER CONSERVATION DISTRICT DAY

Whereas, the Kankakee County Soil and Water Conservation District, formed on April 25, 1946, celebrated its 50th anniversary this past year; and
 Whereas, the Kankakee County Soil and Water District has been influential in the conservation movement of the area by implementing an annual Agricultural Expo and Tillage Field Day, exhibiting leadership in the protection of soil

along the Kankakee River, maintaining strong ties with the local schools and educating youngsters on Resource Conservation; and
 Whereas, the Kankakee County Soil and Water District is currently served by Barbara Curry, Chairperson; Jeff O'Connor, Vice-Chairperson; Ron Lukow, Secretary; Richard Voss, Treasurer; Brian Grob, Director; Rich Howell, Resource

Conservationist; Bob Gotkowski, District Conservationist; and Sharon Bowman, Administrative Coordinator;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 6, 1997, as KANKAKEE COUNTY SOIL AND WATER CONSERVATION DISTRICT DAY in Illinois.

Issued by the Governor January 29, 1997.

Filed by the Secretary of State January 31, 1997.

97-38

PROBATION AND COURT SERVICES OFFICE DAY

Whereas, Illinois statutes provide there shall be full-time probation services for all counties to provide a continuum of sanctions to increase sentencing options to the judiciary of the state; and

Whereas, the continuum of sanctions provided by Illinois probation and courts services departments for adults and juvenile offenders includes intensive supervision, home confinement, detention and electronic monitoring among many others; and

Whereas, approximately 100,000 adult and juvenile offenders are currently sentenced to such continuum of sanctions and are receiving active probation supervision; and

Whereas, 2,200 dedicated probation and court services officers supervise these adult and juvenile offenders in Illinois;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim April 23, 1997, as PROBATION AND COURT SERVICES OFFICE DAY in Illinois.

Issued by the Governor January 29, 1997.

Filed by the Secretary of State January 31, 1997.

97-39

PTA DAY

Whereas, the National PTA was organized in Washington D.C. on February 17, 1897, at a gathering of 2,000 concerned mothers; and

Whereas, the National PTA is celebrating 100 years of advocacy for the nation's children and youth and now counts in its worldwide membership almost 7 millions parents, educators and other advocates dedicated to helping children, and

Whereas, the National PTA is the largest adult volunteer organization which has continuously spoken out for the welfare of children and youth in the home, school, community and place of worship for 100 years; and

Whereas, the mission of the National PTA is to support and speak on behalf of the children and youth in the school, in the community and before governmental bodies and organizations that make decisions affecting children; to assist parents in developing the skills they need to raise and protect their children; and to encourage parent and public involvement in the public schools in this nation; and

Whereas, the National PTA recognized parents as the first educators in the home, parents as partners with the schools, and parents as advocates for all children and youth; and

Whereas, the National PTA's definition of parents includes all other adults who may carry the primary responsibilities for a child's development and well-being;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 17, 1997, as PTA DAY in Illinois.

Issued by the Governor January 29, 1997.

Filed by the Secretary of State January 31, 1997.

Rules acted upon during the quarter of January 1 through March 31, 1997 are listed in the Issues Index by Title number, Part number and Issue number. For example, 50 Ill. Adm. Code 4401 published in Issue 40 will be listed as 50-4401-2. Inquiries about the Issues Index may be directed to the Administrative Code Division at 217-782-4414 or jnatale@ccgate.sos.state.il.us (Internet address).

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6. Total	100	100	100	100	100	100
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THE STATE OF NEW YORK
IN SENATE
January 15, 1922
REPORT
OF THE
COMMISSIONER OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION
PASSED BY THE SENATE
MAY 1, 1921
ALBANY: J.B. LIPPINCOTT COMPANY, PRINTERS
1922